



# ***Daily Report***

## **China**

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# Daily Report

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**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Foreign Ministry Holds Weekly News Briefing

#### Concerned on Soviet Nuclear Weapons

HK1212114991 Hong Kong AFP in English 1135 GMT  
12 Dec 91

[Text] Beijing, Dec 12 (AFP)—Chinese authorities Thursday expressed for the first time their concern over the control of nuclear weapons in the Soviet Union amid the apparent collapse of that country.

"We have taken note of the concern of the international community on this question. We hope that the Soviet Union will properly deal with their nuclear weapons," Chinese Foreign Ministry spokesman Duan Jin said.

Asked if Beijing had sent troops to strengthen its presence on the more than 7,000-kilometre (4,340-mile) Sino-Soviet border, Duan said: "The border area between China and the Soviet Union is enjoying stable conditions."

Other sources, however, said China this month has sent military and police reinforcements to the northwest region of Xinjiang and to Inner Mongolia to prevent separatist agitation by strongly nationalist ethnic minorities.

Duan said China is "concerned" by the troubled political situation of its giant neighbour, which seems all but certain to break up following the pullout of the key republics of Russia, Ukraine and Belarus.

China is "following closely the development of the situation," the spokesman said. "We hope that all the parties will stabilise the situation soon through consultations."

On Wednesday, Chinese Premier Li Peng expressed worry over the "great chaos" in the Soviet Union, describing the situation there as "unpredictable."

In response to a question on talks aimed at the eventual recognition of Ukraine, Duan said he had nothing to announce, but added that China had friendly and good neighbourly relations "with the Soviet Union and the Soviet republics, including Ukraine, Russia, Belarus (and) Kazakhstan."

"The channel for contact between China and the Soviet republics and the Soviet Union remains open," he said.

"Some republics of the Soviet Union have expressed their willingness to develop friendly relations and cooperation with China," he said.

Observers said Duan's comments reflected a "wait and see" attitude in the leadership here toward the evolving Soviet situation.

China has only implicitly recognised independent Ukraine by referring to its respect for the right of peoples to decide their own political evolution, and has not reacted officially to Sunday's declaration by Russia,

Ukraine and Belarus that they were pulling out of the Soviet Union and forming a separate commonwealth.

China did, however, rapidly recognise and establish diplomatic ties with the Baltic states of Lithuania, Latvia and Estonia in September after they declared independence from Moscow.

#### Discusses Basis for Republic Ties

HK1212120691 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1110 GMT 12 December 91

[Text] Beijing, 12 Dec (ZHONGGUO XINWEN SHE)—Chinese Foreign Ministry spokesman Duan Jin said this afternoon that China is willing to develop good-neighbourly and friendly relations and friendly cooperation with the Soviet Union and other union republics on the basis of the two Sino-Soviet Joint Communiques and the five principles of peaceful coexistence; because developing such relations will not only accord with the interests of peoples of China, the Soviet Union and union republics, but also is good for global peace and stability.

Duan Jin made the above statement at the news conference.

Reporters' questions at the weekly 30-minute long routine Foreign Ministry news conference concentrated on relations between China, the Soviet Union and other union republics.

Duan Jin said, China's consistent stand has been based on non-interference in the internal affairs of another country and respect for the choice of people in other countries. As a neighbor, China is very concerned about developments in the Soviet Union and hopes that the concerned parties can stabilize the situation through consultations.

He said: The two joint communiques between China and the Soviet Union remain effective and are the basis on which China develops relations with the Soviet Union; they are also the basis for China to follow in developing relations with other union republics.

Duan Jin said, at present situation in the Sino-Soviet border region is stable. The channels of communication between China, the Soviet Union and other union republics remain unimpeded.

Duan Jin also said, China has taken note of the international concern over Soviet nuclear weapons. China hopes that the Soviet Union can make proper arrangements for these nuclear weapons.

Duan Jin today announced the news that Karrubi, speaker of the Islamic Consultative Assembly, will visit China from 16th to 21st this month at the invitation of Wan Li, president of the China's National People's Congress Standing Committee.



**XINHUA Reports Comments**

CM1212162491 Beijing XINHUA Domestic Service  
in Chinese 0917 GMT 12 Dec 91

[Text] Beijing, December 12 (XINHUA)—A Chinese Foreign Ministry spokesman said today that, as a neighboring country, China is following closely the development of the situation in the Soviet Union and that it hopes all parties concerned will stabilize the situation through consultations soon.

In response to a question at a weekly press conference, Spokesman Duan Jin said that China and the Soviet Union as well as the Soviet republics should continue to develop good-neighborly and friendly relations on the basis of the two Sino-Soviet joint communiques.

He reiterated that the consistent stand of the Chinese Government is that China never interferes in the internal affairs of other countries and respects the choice of the people in every country.

China will continue to develop good-neighborly and friendly relations with Russia, Byelorussia and Ukraine and other Soviet republics on the basis of the five principles of peaceful coexistence, he said.

**Reviews on Support for Taiwan**

HK1212105491 Hong Kong AFP in English  
1047 GMT 12 Dec 91

[Text] Beijing, Dec 12 (AFP) - China, backpedaling on a concession it made during last month's visit here of U.S. Secretary of State James Baker, said Thursday it would not back Taiwan joining GATT until after it had itself become a member.

"Only after the status of the People's Republic of China as a signatory state to GATT can Taiwan's accession possibly be considered with the approval of the (Chinese) central government," the foreign ministry said.

Baker said during his visit that the United States supported both China, as a full member, and Taiwan, as a separate customs territory, joining the General Agreement on Tariffs and Trade (GATT) after they met GATT requirements.

He expressed optimism that the two would be able to join at the same time.

Premier Li Peng confirmed after the visit that Beijing had agreed to resolve the GATT question by simultaneous accession, but Vice Premier Tian Jiyun said last week that the mainland would have to be allowed into GATT first, reverting to China's previous stance.

Taiwan has "no right at all to accede to GATT only by itself by representing a separate customs territory," ministry spokesman Duan Jin told reporters.

China was a founding member of GATT in 1947, but left the organization two years later after the communist takeover. Taiwan was kicked out of GATT in 1971 when China replaced the nationalist island in the United Nations.

Beijing applied to rejoin GATT in 1986, but the application was blocked after the 1989 Tiananmen Square crackdown and because of its planned economy. Taiwan applied to join last year as a separate customs territory.

China's economy has a long way to go before it meets GATT requirements. This would hold up Taiwan's entry, despite its free-trade economy that is largely in accord with the principles of the U.N. body governing international trade.

**Congratulates EC on Maastricht Summit**

HK1212113391 Hong Kong AFP in English 1118 GMT  
12 Dec 91

[Text] Beijing, Dec 12 (AFP) - China congratulated the 12 countries of the European Community (EC) Thursday on the agreements for economic and political integration reached this week at Maastricht.

"The agreement reached at the EEC summit marks a new progress of the European Community countries on promoting the economic and political union," a Foreign Ministry spokesman said in China's first official reaction to the summit, which ended Tuesday.

China hoped EC integration would "contribute to the peace and stability of Europe and of the world and to the favourable development of the international economy and also (to) mutually beneficial cooperation between the European Community and the developing countries," he said.

More than two years since troops crushed the 1989 pro-democracy movement, the EC has yet to fully normalize ties with Beijing on grounds that it continues to violate human rights and international trade practices.

The British and Italian prime ministers and British, Italian, Spanish and French foreign ministers have nonetheless made official visits to China this year.

**Specialists Urge Cooperation in Northeast Asia**

OW0912112891 Beijing XINHUA in English  
1120 GMT 09 Dec 91

[Text] Beijing, December 9 (XINHUA)—More than 20 specialists, scholars and government officials from China, Japan, the Soviet Union, Mongolia and the two sides of Korea called for economic cooperation in Northeast Asia at a meeting which opened here today.

Wei Yueming, president of the non-governmental Council for Economic Cooperation in Northeast Asia, said that the meeting is being held to work out development principles and plans in the future. "This will lay a foundation for economic cooperation between northeast Asian countries."

He said that Northeast Asia is an integrated part of Asia and the Pacific region and it is also the region with great economic development potential.

However, he noted, there exist differences in social systems and different levels of economic development—developed nations, newly industrialized countries and developing countries.

Thus, he said, all countries in the region should join efforts to promote economic cooperation by following the principle of equality and mutual benefit, opening to the outside world and common development.

He said that China still remains at an opening and development stage, it is willing to stress cooperation in capital and technology. The Chinese side has made investment in developing the Tumenjiang river region and welcomed Korea and the Soviet Union to put forward development programs and plans.

At the meeting, South Korea offered cooperative projects covering communications, telecommunications, water resources and high-tech development and research.

Shanghai Municipality put forward three projects for cooperation in developing a commercial town in the city, a TV tube factory and a stainless steel tube factory.

#### Trade Official Advocates Economic Cooperation

HK1012070191 Beijing CHINA DAILY  
in English 10 Dec 91 p 1

[By staff reporter Wang Wenli: "Northeast Asians Meet on Economy"]

[Text] Northeast Asian countries can gain remarkable mutual benefits through economic co-operation, a high-ranking Chinese trade official said yesterday in Beijing at the first session of non-governmental regional economic group.

The first council of the Northeast Asia Non-governmental Economic Co-operation Association (NAN-ECA) yesterday opened its first two-day session, which was attended by professors and entrepreneurs from China, the Democratic People's Republic of Korea and South Korea, Japan, Mongolia and the Soviet Union.

The association was established this year on July 18 as a non-governmental organization to encourage mutual understanding and economic co-operation among these six countries and region.

"Northeast Asia is a part of the Asian Pacific region which has enormous potential for economic vitality," said NANECA chairman Wei Yumin in his address to the council's opening ceremony.

"The rich resources and vastness of the region provide prestigious conditions for economic development. But despite a few countries like Japan, most countries in this region are developing countries. Their potential is far

from being brought into play. I think the regional co-operation will benefit each of us. Our association will try our best to encourage the co-operation from the non-governmental sector side."

Wei is China's former vice-minister of foreign trade and a senior adviser with China's Foreign-Funded Enterprises Management Association.

Wei said the different social systems and economic development levels makes regional co-operation a complicated endeavour.

In his opinion, it is impractical to right now try to establish regional relations like the European Community and Asean. But he thought the northeastern Asian countries would further their co-operation on developing zones like the Tumen River Developing Zone and improve their trade relations. He said there were many things the organization could do for regional co-operation.

A director from Japan thought the association should first strengthen communication and mutual understanding among the countries and region. He said he felt proud of the association because it is the first of its kind in Northeast Asia.

The association has attracted business people who are interested in the regional economic co-operation. Li Min Bo, the Chairman of South Korean Hyundai Business Group said many large South Korean business groups joined the association. He himself took part in the first meeting as one of the South Korean directors.

During the meeting, the representatives will decide the association's framework and discuss future projects.

#### Journal Interviews Representatives to UN

HK2811122091 Beijing SHIJIE ZHISHI in Chinese  
No 20, 16 Oct 91 pp 2-7

["Special interviews": "Striving for World Peace and Progress—Commemorating 20th Anniversary of Restoration of China's Legitimate Seat in United Nations"—first two paragraphs are introduction]

[Text]

October is golden and joyous. While we are immersed in the happiness of the 42d National Day; we are ushering in the 20th anniversary of the restoration of China's Legitimate Seat in the United Nations. China has a vast expanse of land and large population, has made great contributions toward the civilization of mankind, and is also a founding member of the United Nations as well as one of the five permanent members of the Security Council but was once excluded from the United Nations for as long as 22 years. Through hard struggle and under the support of the Third World countries and the other international justice-upholding countries, the United Nations General Assembly adopted by ballot Resolution 2758 (XXVI) on 25 October 1971, deciding "to restore all rights of the

PRC and to recognize the representatives of its government as the sole legitimate representatives of China in the United Nations organizations." The PRC has returned to the United Nations and from this time on, has been active in the United Nations arena as a new independent state. China pursues a peaceful diplomatic policy of independence, participates in all aspects of UN work with a positive and responsible attitude, observes and makes efforts to uphold the aim and principles of the UN Charter, and makes contributions toward safeguarding world peace and promoting common development.

On such a commemorable day, staff reporters interviewed several China's former permanent representatives to the United Nations and several China's former United Nations deputy secretaries general employed by the United Nations. They recalled their extraordinary work and experience in the United Nations.

**Chen Chu: Several Major Events Which Produce Far-Reaching Effect (by staff reporter He Xiangdong [0149 0686 2639])**

Old Chen retired from an active post at the end of 1987 and is now serving on the central foreign affairs leading group as an adviser. He is a good witty talker, goes to work every day, reads documents, and does some relevant activities. He cordially received the reporter in his office and amiably answered questions.

[He Xiangdong] You served as a permanent representative of our country to the United Nations from January 1977 to June 1980. In this period of time, the confrontations between the United States and the Soviet Union were acute, regional conflicts occurred frequently, and several important international events took place. Although there have been fundamental changes in the situation concerning these events, they still affect present international relations to different degrees, and lessons abound. Young readers would very much like to know how the struggles that centered on these matters in those years were reflected at the United Nations.

[Chen Chu] Your question is a very good one. While I am following the development of today's situation with interest, the situation involving the struggles at the United Nations during those years often emerges in my mind.

In a short one-year period from December 1978 to December 1979, the Vietnamese invasion of Cambodia and Soviet aggression against Afghanistan occurred, thus creating two new hot spots in the Asian region. In line with the armed struggles on the battlefield, acute diplomatic struggles were carried out in the United Nations. The forms of these two struggles were different, but their nature was identical. The overwhelming majority of countries were opposed to aggression and hegemony and upheld the independence, sovereignty, and territorial integrity of all countries.

From start to finish, China took a clear-cut position in opposing any hegemony. This attitude served to encourage and support to some medium and small

countries which struggled to safeguard the independence of their own countries and to oppose powers' interference. It also won the understanding and approval of the majority of states.

The Cambodian problem is now nearing a solution and there is a very great change in the Afghan problem. These are the results of the effect of many factors. What could not be denied was the important part the United Nations played. The resolutions adopted at that time to solve the Cambodian problem were already embodied in the documents of principle adopted by the five permanent member states of the UN Security Council. That is to say, although the struggles in the United Nations did not immediately solve problems at that time, this showed the principles and orientation of solution. Furthermore, the struggles at that time were also a part of the many efforts that give rise to today's solution.

Here I must also mention Sino-Vietnamese relations. At that time, both sides had a confrontation with each other, leading to armed conflicts. Now, with the solution of the Cambodian problem, Sino-Vietnamese relations are gradually normalized. This deserves great rejoicing.

[He] The incident of hostages in Iran occurred in 1979, causing a sensation in the world. What was China's attitude at that time?

[Chen] China has consistently and strictly observed the aim and principles of the UN Charter and impartially and reasonably approached all sorts of international incidents. We also adopted such an attitude toward the incident of U.S. hostages detained by Iran in November 1979. The background of this matter was that the Islamic Revolution broke out in Iran and the pro-American Pahlavi Dynasty was overthrown. The United States, however, adopted a hostile attitude, and this was virtual interference in the internal affairs of Iran. After the hostage incident, the Security Council held many meetings. At that time, it was my turn to be the chairman of the Security Council. In my speech, I made known China's position, namely advocating noninterference in the internal affairs of the other countries on the one hand, and hoping for immediate release of the U.S. hostages detained and appealing for the solution of the problem according to the requirements of international law and diplomatic practice and through peaceful consultations on the other hand. China's position was accepted by the majority of countries.

During my tenure, China's legitimate seat in the United Nations had not been restored long, but China already stated clearly that it would resolutely uphold justice, oppose power and aggression, and safeguard the aim and principles of the United Nations Charter, independence and sovereignty of all nations, and international security. This position and attitude enjoyed universal respect in the United Nations and the prestige of our country was, therefore, enhanced. Even the two superpowers, the United States and the Soviet Union, dared not look down upon China's status and role.



Today, the situation in which the superpowers control and manipulate the United Nations is further smashed and the voice of the Third World countries becomes louder. Today when international relations show relaxation and there are tremendous changes in U.S.-Soviet relations, more importance is attached to the role of the United Nations, and its status is greatly enhanced. China is actively and extensively participating in the affairs of the United Nations, and we hope that the United Nations will play an even more important part in the future.

**Ling Qing: More Participation, More Contributions** (by staff reporter Sun Hongzhi [1327 1347 3112])

Comrade Ling Qing, aged 68, is now a vice chairman of Fujian Provincial Chinese People's Political Consultative Conference [CPPCC] Committee. He happened to come to Beijing to attend a meeting of the CPPCC National Committee Standing Committee before National Day. In the midst of pressing affairs at the conference, he answered the reporter's questions at Youyi Guesthouse.

[Sun Hongzhi] How did our country play its role in the United Nations when you were China's permanent representative just after the Third Plenary Session of the 11th CPC Central Committee?

[Ling Qing] When I think back today, in the first few years after China's legitimate seat in the United Nations was restored, we were unfamiliar with the way in which the United Nations handled some problems, and it took some time to adapt ourselves to the situation. Regarding the views on some issues (like the issue of disarmament), it also required a readjustment process. In the 1980's, with the establishment of China's general principles of reform and opening up, our country actively participated in all aspects of UN work. Before I left my post, we had joined approximately 400 UN systems and other international organizations of all kinds, as well as approximately 130 international treaties.

China acts independently in the bloc activities in the United Nations. China does not belong to the Western bloc, nor does it belong to the Soviet bloc. China belongs to the Third World and is the largest country in the Third World as well as the sole permanent member state of the Security Council in the Third World that has veto power. China vigorously supports the Third World's just views and rational demands, but it is not a member of the Nonaligned Movement or the Group of 77. China has consistently pursued the peaceful diplomatic policy of independence, yielded to no pressure, pursued no great-nation chauvinism, opposed wars of aggression and hegemonism, and upheld international justice. It is this independent position and this attitude, which favors deciding its own position on the basis of the right and wrong of a matter and the fundamental interests of the Chinese people and the peoples of the world—but not the interests of a certain bloc that China, as a force which cannot be ignored and which plays an increasingly important part in the international community, has adopted.

[Sun] What you have said reminds me of the fact that Third World countries accounted for more than two-thirds of the member states of the United Nations before the 36th United Nations General Assembly was held. How did China, as a member of the Third World, then unite closely with the Third World countries and struggle to safeguard the common rights and interests of these countries?

[Ling] A large number of new independent countries joined the United Nations after World War II, and the Third World became a decisive political force. In coordination with and in support of one another, China and the other Third World countries have further strengthened the Third World's political status and influence with the aim of pushing world peace, development, and progress forward. The course of reelection of the UN secretary general was a typical example of the strengthened Third World influence.

From the establishment of the United Nations to 1981, three of the four persons who assumed the position of UN secretary general were public figures from developed countries. In comparison with the composition of the United Nations and with the role of the Third World in the United Nations, this proportion was extremely unsuitable. The Third World countries strongly demanded that they enjoy equal status in the UN organizations to enable the United Nations to handle world affairs impartially and reasonably. When the secretary general was reelected in 1981, China reflected the demand of the Third World countries and, in the course of voting in the Security Council, supported the candidates from the Third World, used the veto power on 16 occasions, and vetoed the public figures who did not come from the Third World. Through this struggle, our country resisted pressure from other powers and broke the superpowers' previous manipulative situation so that Javier Perez de Cuellar of Peru could be elected. He was the first secretary general from Latin America, and this was the result of the close consultations and cooperation of China and all Third World countries. This choice was able to stand the test of time and practice, and the entire world affirmed Javier Perez de Cuellar's work.

[Sun] What did the policy of reform and opening up implemented by our country in the 1980's embody in the aspect of international economic and technological cooperation within the sphere of the United Nations?

[Ling] Since the Third Plenary Session of the 11th CPC Central Committee, our country has begun joining the international community more extensively and participating in multilateral economic and technological cooperation more actively in the sphere of the United Nations. On the foundation of the give-and-take principle, our country both provides the UN development systems with donations and accepts all kinds of aid for development provided by the international organizations, of which the assistance funds received by the end of 1984 amounted to \$400 million. The international exchanges of capital, technology, and personnel have vigorously promoted reform at home.



[Sun] How should the United Nations give full play to its role in international affairs, considering that the current international situation has become even more complicated?

[Ling] As the largest intergovernmental international organization, the United Nations is an arena where the contemporary diplomatic activities of all countries are most concentrated. It is both an international platform where all countries publicize their own foreign policies and a place where all states and state blocs have a political contest. It can also play a mediating and buffer role in international conflicts. This role was embodied in handling the important international issues, such as the independence of Namibia and the Iraqi aggression against Kuwait. Under the circumstances of the abrupt changes in East Europe and the decline of the Soviet Union, the role of the United Nations will not weakened but will be strengthened.

Of course, difficult long-term work still needs to be done if the United Nations wants its resolutions to really reflect the desires of the member states and to be actually binding. This work includes revising unsuitable provisions in the UN Charter.

I hope that the United Nations can play a more positive role in safeguarding international peace and promoting the progress of mankind and also hope that our country will participate more actively in international affairs and will make even greater contributions inside and outside the United Nations.

**Li Luye: "United Nations Faces New Opportunity and New Challenge" (by staff reporter Wu Wei [0702 3634])**

Comrade Li Luye is always very busy, and he now is the director of China's International Studies Center. When I called him, I thought it would be difficult to arrange this interview, but, unexpectedly, he promised this reporter an interview; and as soon as we met, he opened his mouth and spoke...

[Wu Wei] You were China's permanent representative to the United Nations in 1985. Will you please describe the situation at that time?

[Li Luye] In August 1985, I was transferred from Geneva to New York to assume the post of China's representative to the United Nations. When I returned home, I attended a meeting of diplomatic envoys to foreign countries. The main subjects under discussion at the meeting were: How to implement the spirit of the Third Plenary Session of the 11th CPC Central Committee, the 12th CPC National Congress, the important speeches by the central leading comrades during that year, and ways to emancipate the mind, to seek truth from facts, and to create a new situation in the diplomatic field. I felt that, through the study and discussion at this meeting, I came to know the important responsibilities on my shoulders. I, therefore, confidently went to the United Nations to take office.

It happened to be the 40th anniversary of the founding of the United Nations in 1985. From this time on, the United Nations, as it were, ushered in a new era. There was a subtle change in the U.S.-Soviet confrontation. Everybody knows that, during the cold war period, the United Nations became a place where the United States and the Soviet Union each strived for hegemony. They brought confrontations to the Security Council and United Nations. At that time, China's relations with the Soviet Union deteriorated; there was no coordination among the five permanent member states of the Security Council, and this was bound to affect the Security Council's efficiency. After 1985, the international situation began to relax; the United States and the Soviet Union began a dialogue, and China and the Soviet Union gradually improved their relations. Judging from both subjective and objective factors, the Security Council was given favorable conditions for carrying out its normal work.

In the preliminary period of the restoration of our country's legitimate seat in the United Nations, we proposed our draft resolutions on our own initiative very carefully for various reasons.

In October 1986, China's delegation proposed draft resolutions on nuclear disarmament and conventional disarmament for the first time. One was unanimously adopted through consultations, and another won the support of an overwhelming majority of countries. This marked a major diplomatic stride for us in the UN multilateral realm and reflected China's initiative and positive attitude as a power in UN affairs. China won high praise.

Subsequently, we gradually intervened in all UN issues—including disarmament, human rights, and peace preservation—on our own initiative and in a comprehensive way, and China ushered in an active period of multilateral diplomacy.

[Wu] What positive actions did China take to approach the issue of regional conflicts?

[Li] We first began mediating in the conflict between Iran and Iraq. This was proposed by the UN secretary general, and after consultations of the five permanent member states of the Security Council and with the cooperation of nonpermanent member states, the Security Council passed Resolution 598 on Iran and Iraq in July 1987, but Iran did not immediately accept it. At that time, some Western countries were insisting that sanctions (including an embargo on weapons) had to be applied against it, but China adhered to the principle of "strictly observing neutrality and positively promoting peace," maintained that more patient work had to be done, and did not approve of taking the drastic measure of imposing sanctions. Later, it was proven that China's view was impartial and wise and gave Iran some leeway.

In July 1988, Iran officially accepted Resolution 598. In August, it was my turn to be chairman of the Security Council, and, during my tenure, the Security Council

published two statements on the cease-fire between Iran and Iraq and holding direct talks.

In the course of bringing about the cease-fire between Iran and Iraq and in implementing Security Council Resolution 598, China gave play, as it were, to its particular role. Subsequently, China also played an important role in the consultations of the five permanent member states of the Security Council on the Namibian and Cambodian issues.

[Wu] How do you think that, as a permanent member state of the Security Council, our country should play its role?

[Li] China always maintains that the post of a permanent member state of the Security Council signifies an even more important responsibility. Our role in the Security Council is not merely to uphold China's interests, and we put more emphasis on reflecting the reasonable demands and views of the majority of member states, particularly those of the Third World. We have consistently maintained good cooperative relations with them.

All sides have attached importance to the positive and constructive role China has played in all realms of the United Nations.

China enjoys a very high reputation and prestige in the United Nations, and I have personally experienced this attitude. For example, in elections in every UN body, China often received the highest number of votes. As everybody knows, the United Nations' diplomatic activities all involve bloc diplomacy (such as the West European bloc, Nonaligned Movement bloc, and so on), but China has maintained its independence. In a given election, some countries pursued money diplomacy or power diplomacy, but the number of votes they got after exerting tremendous efforts was often smaller than the amount we received. Many Western countries were puzzled about this and did not understand what was the matter. In fact, there was nothing strange. China has always won trust on the strength of its own policies and prestige, and has forged friendships by getting along well with people on an equal basis and by understanding other people. Furthermore, we do not barter away our principles. This reflects the might and vitality of our country's diplomatic policy of independence.

China has an image of defying brute force, upholding justice, pursuing no personal goals, and speaking for the Third World in diplomacy. China has an old saying: "Those who help the world will be helped by the world."

A special feature of China's diplomatic style is to seek truth from facts but not "to be eager for quick success and instant benefit." When China chaired the Security Council (assuming chairmanship), it frequently achieved results in handling knotty problems to the relative satisfaction of all sides. People have universally praised China's diplomatic and work style, and some people have even called it the "secret of success."

[Wu] Thank you for managing to find time to grant me this interview in the midst of pressing events. Finally, I wish to ask one more question. How do you think the United Nations should carry out its work in the new situation?

[Li] The United Nations is facing a new opportunity and a new challenge. The current unanimous international opinion is that, in the course of building the new world order, the United Nations should play a more important role. The new world order certain Western countries have proposed, however, calls for the domination of several Western powers and uses their conception of values to unify the whole world. They also preach the fallacies that the concept of sovereignty is obsolete, human rights extend beyond national boundaries, and it is right to interfere in other countries' internal affairs. The world is heading for multipolarity and diversification, and the new international order proposed by certain Western countries cannot bring peace and stability to the world—it will instead aggravate turbulence. There is no mistaking the objective behind the new international order built on the foundation of the Five Principles of Peaceful Coexistence as proposed by China. It stresses mutual respect for sovereignty, noninterference in one another's internal affairs, equality, mutual benefit, and peaceful coexistence. It is in line with the tendency of historical development. The five principles are not obsolete; they are vital. We must certainly inherit and develop them in light of changes in the international situation. The issue of building the new international order has a bearing on whether we will live in a new impartial and peaceful order which will benefit development in the next century or whether we will drift along in the old endlessly turbulent order defined by power politics and the law of the jungle. The United Nations must play an even more important part in building the new international order, must seize the current opportunity, and must correctly deal with the new challenge. I hope that it can be successful.

**Bi Jilong: Make Efforts To Serve Developing Countries**  
(by staff reporter Zhang Weimin [1728 5633 2404])

The reporter interviewed Comrade Bi Jilong in a small quadrangle. Old Bi is over 70 years old, but he has a quick mind, has kept his usual style of conversation, and has a bearing no less elegant than it was while he was a diplomat.

[Zhang Weimin] Old Bi, you assumed the post of UN under secretary general in June 1979 and were in charge of the newly established "Department of Technical Cooperation for Development" (called Technical Cooperation for short). How did you, as a senior public servant of the United Nations, handle the relationship between your nationality and your duties?

[Bi Jilong] I accepted the letter of appointment as a UN under secretary general, which is different from being China's representative to the United Nations. Each one of our UN workers had to pledge his loyalty to the United Nations and his duties and was not permitted to seek or accept the instructions of any governments or



any authorities other than the United Nations. While handling the problems, we strictly observed the principles of the UN Charter, implemented the relevant UN resolutions, and handled matters impartially. All Chinese people working with the United Nations strictly fulfilled their pledges, carried out their duties to the best of their ability, and received positive feedback.

[Zhang] Will you please talk about the course of the development of Technical Cooperation and its achievements?

[Bi] The UN Charter divides the United Nations' tasks into two large categories: 1) upholding international peace and security; and 2) carrying on international cooperation in economic, social, cultural, and other aspects to promote world development. In the preliminary period of the founding of the United Nations, the most urgent issue was decolonization. After the 1960's, many states ended colonial domination. Having achieved political independence, the major task they faced was the economic issue, but their own strength was limited, and they greatly needed international assistance, cooperation, and exchanges. The United Nations, therefore, began formulating the corresponding strategies for international development, provided developing countries with technical cooperation and assistance, and helped them set up the fundamental structures for economic development. In response to some developing countries' proposals, the United Nations adopted a resolution on setting up Technical Cooperation in 1978. It is a department under the UN Secretariat and is the sole organ in the United Nations that provides developing countries with economic and technical assistance. When the United Nations appointed me under secretary general in charge of Technical Cooperation, the department had only been set up for one year, and there was a great deal of work to do. With unremitting efforts, it has become the largest and relatively efficient department in the United Nations.

Developing countries benefit from Technical Cooperation of the United Nations. It is an organ which does work for the developing countries, and it is, therefore, highly valued by the developing countries. While providing assistance, Technical Cooperation adheres to the principle of providing aid based on the foundation of respecting the benefited state's politics and economic decisionmaking power. Moreover, it helps the developing countries enhance their ability to develop their economy by relying on their own efforts. "When a person is hungry, some people give him food, but, when he finishes it, he has no more; wise men teach him how to farm and fish. Having mastered technology, he can live independently. What the Technical Cooperation of the United Nations does is to teach us fishing but does not give us fish." This is the way many developing countries appraise the UN Technical Cooperation. Although the Technical Cooperation provides limited projects of cooperation and assistance, it has done a great deal of work in the aspect of helping developing countries introduce technology and capital and train technological personnel.

[Zhang] What work in the aspect of assistance and technological cooperation has our country done in coordination with the United Nations?

[Bi] During my tenure at the United Nations, the Chinese Government cooperated with the Technical Cooperation in running UN regional research and training centers in large and small projects for natural resources, energy resources, population, statistics, finance, and development plans—including small hydroelectric power stations, rural comprehensive development, and fish-breeding—in training technological personnel for the developing countries, and in conducting technological exchanges. China also contracted with the United Nations Capital Development Fund for assisting Bangladesh with rice bran oil processing plants, Nepal with small hydroelectric power stations, and Gambia with bricks plants. These projects achieved quite remarkable results. Such activities promote economic and technological cooperation and exchanges among the developing countries and have pushed forward South-South cooperation.

The results of multilateral technological cooperation between the Chinese Government and the United Nations have also been substantial. Although the proportion of the funds for assisting China in importing technology in the total amount of international cooperation was small, as the funds sought to import technology, train talented people, and import advanced equipment, the results were remarkable. Of them, our country was assisted in carrying out its 1982 census by the United Nations Fund for Population Activities, which imported advanced computers. This was the first time that the data from the largest-scale census in the world was handled and analyzed by computer.

[Zhang] Some people in the United Nations, it was heard, have proposed reducing the funds of the Technical Cooperation, and have even suggested abolishing the Technical Cooperation, have they not?

[Bi] Yes. This was primarily advocated by certain Western public figures. After I was relieved of my office, I attended a group meeting of 18 senior specialists on invitation in 1986 to study reforming the United Nations and to discuss the future of Technical Cooperation. Some specialists came from developed countries and proposed to abolish the Technical Cooperation under various pretexts. They virtually proposed reducing UN multilateral aid on a large scale. It was ironic that, at a meeting of the Economic and Social Council held in Geneva at the same time, apart from the representatives from the Third World countries affirming the work of the Technical Cooperation, the representatives from the United States and France also commended the achievements in the work of the Technical Cooperation. The proposal on attempting to weaken the Technical Cooperation and to reduce the multilateral aids was not accepted in the United Nations. Technical Cooperation has continued to work hard for and contribute toward international multilateral assistance.

**Xie Qimei: Developing Countries Have Enhanced Their Right To Speak** (by staff reporter Wang Yajuan [3769 0068 1227])

Comrade Xia Qimei is amiable and easily approached. Even though we had just met, we talked to one another freely.

[Wang Yajuan] What impressed you most when you worked at the United Nations from 1985 to 1991?

[Xie Qimei] What impressed me most was that, although China had been excluded from the United Nations for as long as 22 years, after our legitimate seat in the United Nations was restored, we have been active in the United Nations with a brand new outlook. We have strictly observed the aim and principles of the United Nations Charter and have been greatly respected and valued by the entire world.

In addition, I also have experience in the development and changes of the United Nations. The United Nations had been manipulated by certain powers for a very long period of time, and the confrontations between two superpowers—the United States and the Soviet Union—in the cold war were also later reflected in the United Nations. This made UN work on many issues very difficult. For a certain period of time, people were disappointed with the United Nations. In the wake of important changes in the international situation, such circumstances have changed very greatly. Today, the member states of the United Nations have increased to 166, and developing countries have had more and more seats in the United Nations and have enhanced their right to speak. The actual role of the United Nations has been obviously strengthened, for example, breakthroughs in the political solution of the Afghan problem, Cambodian problem, and the problem of the war between Iran and Iraq were made with the participation of the United Nations. The United Nations also played a very positive role in the independence of Namibia, the peace process of Central America, and the cease-fire in the western part of El Salvador.

Of course, some problems were not solved to certain peoples' satisfaction. For instance, except for a small number of problems, such as talks on chemical weapons, multilateral disarmament work has so far progressed very little; the gap between the poor and the rich of the North and South is still being widened in spite of some manifestos and documents that have been adopted. In addition, on the solemn platform, some countries have also made use of the issue of human rights to interfere with the internal affairs of other countries. This is a negative factor which hinders the United Nations from giving full play to its constructive role.

[Wang] You took over from Bi Jilong as under secretary general and also work with Technical Cooperation. How do you treat this work?

[Xie] I feel greatly honored that I am able to participate in the UN technical cooperation work. Technical Cooperation primarily provides developing countries with technological

assistance. Such practical work is of positive significance to the economic and social development of the developing countries as well as to the narrowing of the gaps between the North and the South. The projects for assistance provided by Technical Cooperation total nearly 1,000, and the projects completed last year were worth approximately \$160 million. This work is restricted by financial resources. Some developed countries have not taken a positive attitude toward multilateral assistance. The funds for multilateral assistance are far from meeting the actual needs, and this has aggravated the difficulties in the work of the Technical Cooperation.

[Wang] The international community followed with interest the financial crisis of the United Nations two years ago, mainly because the United States delayed paying its membership fee. How do you approach this question?

[Xie] Paying the membership fee is an obligation of a member state and it contravenes the regulations of the United Nations not to pay it. The U.S. membership fee accounts for 20 percent of the United Nations' normal budget. As of now, the United Nations has not paid all its membership fee in arrears. The United States uses the method of not paying its membership fee to express its dissatisfaction with the United Nations and to attempt to exert pressure on the United Nations. This has evoked universal dissatisfaction in the United Nations.

Internationally, the United Nations is now called to give even greater role, and every member state has a duty to act strictly in accordance with the aim and principles of the UN Charter and to positively play its role. Only by so doing can the United Nations really contribute substantially to the process of building the new international order.

#### Data

China's permanent representatives to the United Nations General Assembly and China's under secretaries general employed by the United Nations:

1971-1977—Huang Hua, first permanent representative to the United Nations

1977-1980—Chen Chu, second permanent representative to the United Nations

1980-1985—Ling Qing, third permanent representative to the United Nations

1985-1990—Li Luye, fourth permanent representative to the United Nations

1990-Present—Li Dao, fifth permanent representative to the United Nations

1972-1979—Tang Mingzhao, under secretary general of the United Nations (in charge of decolonization issues)

1979-1985—Bi Jilong, under secretary general of the United Nations (in charge of technical cooperation)

1985-1991—Xie Qimei, under secretary general of the United Nations (in charge of technical cooperation)

1991-Present—Ji Chaozhu, under secretary general of the United Nations (in charge of Technical Cooperation)



**United States & Canada****Bush Reassures U.S. on Soviet Nuclear Safety***OW1212003791 Beijing XINHUA in English  
2303 GMT 11 Dec 91*

[Text] Washington, December 11 (XINHUA)—U.S. President George Bush, apparently to calm the public's concern over the fate of the unraveling Soviet Union, said today that he received "pretty good" assurances about the safety of Soviet nuclear weapons.

Chatting with reporters before a cabinet meeting, Bush said that "We have a keen interest—the whole world does—in the nuclear questions there. And frankly assurances have been pretty good there. I see no reason to alarm the American people."

Taking a wait-and-see attitudes towards latest developments in the Soviet Union, Bush said that "We can't make any predictions on the evolution of all this. That's their business."

Bush asserted that "our main interest is in democratic and market reform, continuation of that."

Meanwhile, U.S. Defense Secretary Dick Cheney, who was visiting Prague, joined the group of senior U.S. officials in warning that the disintegration of the Soviet Union could loosen the control of its nuclear weapons.

He said that the United States is "very much concerned about the question of who controls the Soviet stock of nuclear weapons."

Although Washington was confident of the central control of the Soviet nuclear arsenal at present, "the trouble, of course, is that we have no idea what will develop in the future" if the Soviet Union disintegrates, Cheney said.

**Sino-U.S. Joint Venture Reports Profits***OW1212084191 Beijing XINHUA in English  
0751 GMT 12 Dec 91*

[Text] Shanghai, December 12 (XINHUA)—The profits of the Shanghai-Foxboro Co. Ltd, the first Sino-U.S. joint venture in Shanghai and the first Sino-U.S. hi-tech joint venture in China, have kept rising since it went into operation in April 1983.

With a mere 450 employees, the enterprise produces advanced automatic meters and instruments, and automation control systems. Its total volume of sales has reached 400 million yuan (about 74 million U.S. dollars).

By 1992 the total profits distributed to both sides of the joint venture will be nearly three times the total investment they put into the enterprise, according to Wang Zhenfeng, general manager of the company.

Wang attributed the success of the company to the sincerity of the two sides and the progress made in the quality of the company's products.

Edward Haderer, deputy general manager of the company, added that the skill of the local employees is also one of the important factors that make the company successful.

About 80 percent of the company's products are sold in China, in the metallurgical, petrochemical and power industries.

The U.S. side of the company has increased its investment several times. At the request of the U.S. side, the term of the co-operation has been extended from 20 years to 50 years.

**Figures Reported***OW1112080891 Beijing XINHUA in English  
0653 GMT 11 Dec 91*

[Text] Shanghai, December 11 (XINHUA)—Shanghai-Foxboro Co. Ltd., a Sino-American joint venture, has reaped good profits since it began operation in 1983. The total investment of the joint venture has increased from 8 million U.S. dollars in 1983 to today's 14.6 million dollars. The Chinese side contributed 51 percent of the investment and the American side, 49 percent. The sales volume of the joint venture totalled 394 million rmb [renminbi] yuan in the past nine years, with an annual increase rate of 50 percent, and the profits increased correspondingly. The company mainly produces the automatic instrument and controlling systems developed by the Foxboro Company. In the early period of production, all the products were sold in China, and in the past few years one-fifth of the products were exported.

**CAAC Begins Inspection at McDonnell-Douglas***HK1212043391 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0829 GMT 7 Dec 91*

[Text] Beijing, 7 Dec (ZHONGGUO TONGXUN SHE)—According to news from the Civil Aviation Administration of China [CAAC], a ceremony was held a few days ago at the Shanghai Aviation Industrial Company for the transfer of monitoring rights over aircraft production under the McDonnell-Douglas system jointly run by China and the United States.

From now on, CAAC will exercise quality control over the production of MD-82 planes in Shanghai, a CAAC official said, adding that this is evidence of a new period of Sino-U.S. cooperation in civilian aircraft production.

In October this year, the Chinese and U.S. Governments signed an "agreement on the verification, approval, and acknowledgement of the airworthiness of imported aviation products." After this, the CAAC and U.S. Federal Aviation Administration [FAA] conducted full exchanges and cooperation regarding the standards and examination of airworthiness.

As previously disclosed, before the Sino-U.S. agreement on airworthiness came into force, the FAA sent airworthiness officials each year to supervise quality management in the course of manufacturing MD-80 planes by the McDonnell-Douglas Company in Shanghai. This aircraft production has been examined in this manner 10 times so far.

CAAC has trained a group of qualified airworthiness inspectors to act on behalf of both the Chinese and U.S. airworthiness authorities in examining the production of MD-80 planes in Shanghai. Five Chinese airworthiness inspectors have formally conducted supervisory work over production in the factory.

### Soviet Union

#### Wan Li on Developing Relations With Russia

OW1212133491 Beijing XINHUA in English  
1310 GMT 12 Dec 91

[Text] Beijing, December 12 (XINHUA)—Wan Li, chairman of the Chinese National People's Congress Standing Committee, said here today that the relations between China and Russia have enjoyed fairly big growth in recent years, and he hoped the two sides will increase contacts in fields including economy, trade and culture.

Wan Li made the remark during a meeting with V.P. Lukin, chairman of the Committee of International Affairs and Foreign Economic Relations of the Russian Supreme Soviet, and his party at the Great Hall of the People here today.

Wan extended a warm welcome to the Russian guests, saying the on-going visit will promote the development of relations between the two sides.

"We hope your domestic political situation will become stable and the economy will be restored and developed," he said.

Wan also briefed the guests on China's domestic situation. He said, "in the past more than 10 years, China has always taken economic development as its central task and continued the reform and opening to the outside world, thus making tremendous achievements."

He added, "China's economy has advanced quickly, and the people's life has been improved greatly."

"China's economic development needs a peaceful international environment," Wan said. "Therefore," he added, "China is willing to live on good terms with all other countries in the world on the basis of the five principles of peaceful coexistence."

During the meeting, Lukin expressed the willingness of Russia to develop its relations with China.

While staying in China, Lukin and his party visited Guangzhou, Shenzhen and other southern Chinese

cities. Lukin said China has enjoyed a rapid development, especially in Guangzhou and Shenzhen, which left them with deep impressions.

The Russian guests arrived here on Dec. 6 for a visit at the invitation of the Foreign Affairs Committee of China's National People's Congress.

#### Russian Parliament Approves Commonwealth Accord

OW1212140891 Beijing XINHUA in English  
1348 GMT 12 Dec 91

[Text] Moscow, December 12 (XINHUA)—The Russian Federation parliament voted overwhelmingly today to approve the accord establishing a commonwealth of independent states.

188 voted in favor and 6 against with 7 abstentions.

The accord was signed by Russian President Boris Yeltsin, Ukrainian President Leonid Kravchuk and the chairman of the Belarussian Parliament Stanislav Shushkovich in the Belarussian capital of Minsk on December 8.

The Ukrainian and Belarussian parliaments approved the accord Tuesday.

#### Gorbachev, Yeltsin Meet, Discuss Commonwealth

OW1212031591 Beijing XINHUA in English  
0205 GMT 12 Dec 91

[Text] Moscow, December 11 (XINHUA)—Soviet President Mikhail Gorbachev and Russian Federation President Boris Yeltsin met in the Kremlin today for talks on the internal situation stemming from the formation of the commonwealth of independent states.

INTERFAX reported that the meeting lasted for one hour and 20 minutes.

The agreement on the formation of the commonwealth grouping Belarus, Russia and Ukraine was signed in the Belarussian capital of Minsk on December 8.

Commenting on the talks, Yeltsin was quoted by the RUSSIAN NEWS AGENCY (RIA) as saying that "obstructions, especially those related to the use of military forces, from the Soviet president against the commonwealth agreement are being removed."

However, spokesman for the Soviet President Andrey Grachev did not confirm that the two leaders had reached any compromise during their meeting.

No sensational decision or decision of principle had been made, he added.

RIA also reported that Yeltsin believed the Minsk agreement would neither bring about consequences similar to the current situation in Yugoslavia, nor cause a civil war.

**Gorbachev Not To Seek Role in Future Government***OW1212142391 Beijing XINHUA in English  
1227 GMT 12 Dec 91*

[Text] Moscow, December 12 (XINHUA)—Soviet President Mikhail Gorbachev said today that he will not seek a role in the future government.

The newspaper Independent Gazeta [NEZAVISIMAYA GAZETA] published his remarks today.

Gorbachev said he has entered a most difficult period of his political life, but he still advocates a confederation, a loose confederation determined by sovereign states.

Gorbachev admitted that he is responsible for the changes in the Soviet Union. He said he will do everything possible to keep the secession process within the framework of the constitution and to seek a negotiated solution to the country's future.

On the Minsk accord, the Soviet president stressed that it is unacceptable if regarded as a final decision.

Gorbachev said he respects people's choice, as long as it conforms with the constitution.

**Constitution Committee To Evaluate Commonwealth***OW1212055791 Beijing XINHUA in English  
0206 GMT 12 Dec 91*

[Text] Moscow, December 9 (XINHUA)—The Soviet constitutional compliance committee will evaluate the lawfulness of "the Commonwealth Agreement" signed among three Slavic republics. Leaders of Russia, Belarus and Ukraine on December 8 reached an agreement on the establishment of "a Commonwealth of Independent States".

Soviet President Mikhail Gorbachev said on Monday that the three Slavic republics have no right to proclaim the end of the USSR and the fate of our multinational country cannot be decided by the will of the leaders of the three republics.

The committee has received a lot of letters demanding the evaluation of the constitutional compliance of the agreement.

**Russia, Ukraine, Belarus To Liberate Prices***OW1112143691 Beijing XINHUA in English  
1256 GMT 11 Dec 91*

[Text] Moscow, December 11 (XINHUA)—The three republics of the newly constituted commonwealth are to jointly liberate prices from January 2 next year, the Moscow based "PRAVDA" newspaper reported today.

This joint decision by Russia, Ukraine and Belarus was announced by Russian Deputy Prime Minister Yegor Gaidar in an interview with reporters from the Russian television station.

Gaidar said Russia was having to postpone its liberation of prices for two weeks so as to meet the requirements of Ukraine and Belarus.

Economists have estimated that after the price reforms, retail prices will go up far more than the 2 to 4 times on average predicted by Russian President Boris Yeltsin.

Some prices could rise more than 10 fold compared with present levels, they said.

**Republic Leaders Absent From Gorbachev Meeting***OW1012030791 Beijing XINHUA in English  
1730 GMT 9 Dec 91*

[Text] Moscow, December 9 (XINHUA)—The scheduled Soviet "four-plus-one" meeting failed to be held today due to the absence of the presidents of Ukraine and Belarus.

Soviet President Mikhail Gorbachev was to meet presidents of Russia, Ukraine, Kazakhstan Boris Yeltsin, Leonid Kravchuk, and Nursultan Nazarbayev, as well as Belarus leader Stanislav Shushkevich to discuss the future of the Soviet Union.

But the agreement to establish a "union of independent states" by Russia, Ukraine and Belarus signed on Sunday, which also declared the end of the Soviet Union, made any consultation on a unified country impossible.

Yeltsin, entrusted by leaders of Belarus and Ukraine, has informed the Gorbachev the decision of the two republics' absence from the four-plus-one meeting, according to Soviet newspapers. [sentence as received]

**Majority of Moscovites Favor New Union Treaty***OW1012033091 Beijing XINHUA in English  
0206 GMT 10 Dec 91*

[Text] Moscow, December 9 (XINHUA)—Over 50 percent of Moscow citizens support signing the new union treaty, according to the latest public opinion poll in Moscow.

An opinion poll conducted in Moscow last week showed that 53 percent of those interviewed advocated the signing of the new union treaty, 20 percent opposed it and 27 percent had no opinion.

However, only 23 percent were in favor of "The Commonwealth of Sovereign States" to be the name of the country while 46 percent of Moscovites were opposed to the name.

**Country To Set Up Fashion Firm in Soviet Union***OW1112152391 Beijing XINHUA in English  
1331 GMT 11 Dec 91*

[Text] Beijing, December 11 (XINHUA)—China will set up a fashion corporation in Taskent, capital of the Soviet



Republic of Uzbekistan, next year, according to sources from the Ministry of Foreign Economic Relations and Trade.

"Taskent Moniza Fashion Corp., Ltd.," the first Chinese fashion firm to be set up in the Soviet Union, will manufacture and sell fashions with patterns provided by designers of the Beijing based Moniza Fashion Corp., Ltd, a joint venture of the mainland, Hong Kong and Macao, and one of the leading fashion producers in the capital, the sources said.

The Moniza Corporation, in business for two years, has managed to attract the eyes as well as the hard-earned money of many fashion-conscious ladies with its stylish products for each season.

"Moniza" was recently named one of the country's 10 famous textile brands by the ministry of textile industry, and fashions carrying Moniza brand once created a monthly sale record of 846,000 yuan at a national fair.

Cao Min, director of Moniza, said that her firm's 1991 output is expected to rise by 31 percent compared with the figure of the previous year, while its sales will climb 45 percent.

The Taskent Corporation will be an expansion of its business, she said, it will also give a good chance for the cooperation between Chinese and Russian fashion manufacturers.

**Inner Mongolia Opens Joint Company With USSR**  
*SK1212015991 Hohhot NEIMENGGU RIBAO in Chinese 31 Oct 91 p 1*

[Text] A ceremony for opening "Sumengte Flax Textile Ltd. Corporation" jointly operated by China and the Soviet Union was held in the city of Baotou on 16 October. Attending and addressing the ceremony were the leading personnel of the autonomous regional level organs, including Liu Zuohui and Zhang Cangong.

Total investment in this joint-venture corporation is 155 million yuan. Of this investment, that made by the Chinese side accounts for 62.9 percent and that made by the Soviet side accounts for 37.1 percent. The Soviet side will invest through technological equipment, specialized technologies, and other materials for the corporation as well as of holding classes for training Chinese staff members and workers.

After being put into production, the annual productive capabilities of the joint-venture corporation will include 500 tons of flax seed; 1,000 tons of (?finished linen thread); 1,000 tons of (?short linen thread); 7,168 wet spindles; 100 shuttleless looms; 4 million meters of colored, jacquard, and printed linen.

**Northeast Asia**

**Yang Shangkun Meets North Korean Visitors**  
*OW1212130091 Beijing XINHUA in English 1250 GMT 12 Dec 91*

[Text] Beijing, December 12 (XINHUA)—Chinese President Yang Shangkun met with O Chin-u, member of the Presidium of the Political Bureau of the Korean Workers' Party Central Committee, and his party at the Diaoyutai State Guesthouse here this evening.

Yang had a cordial and friendly talk with O Chin-u, who is also director of the People's Armed Forces of the Democratic People's Republic of Korea.

Present on the occasion were general Liu Huaqing, vice-chairman of the Central Military Commission, General Qin Jiwei, state councillor and minister of national defense, and Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army.

The meeting was followed by a dinner given by Yang in honor of the Korean visitors.

**Li Ximing Meets Pyongyang Press Agency Group**  
*SK0912080491 Beijing BEIJING RIBAO in Chinese 20 Oct p 4*

[By reporter Zhang Weixiong (1728 0251 7160): "Li Ximing Meets With Pyongyang News Agency Delegation"]

[Text] Yesterday morning, Li Ximing, member of the Political Bureau of the CPC Central Committee, and secretary of the Beijing Municipal CPC Committee, cordially met with the Pyongyang News Agency delegation from the DPRK led by Yu Kye-chong, deputy chief editor, at the municipal party committee. Li Ximing extended a warm welcome to the delegation that came to visit Beijing after President Kim Il-song's successful friendly visit to China.

Li Ximing said: We were very pleased to see that President Kim Il-song was very energetic and healthy during his visit in China. The party and state leaders including General Secretary Jiang Zemin exchanged views with President Kim Il-song on bilateral relations and the international issues of common concern. The successful visit of President Kim Il-song has further enhanced the friendship, unity, and cooperation between our two parties, countries, and the peoples of our two countries.

Delegation Leader Yu Kye-chong said: During the past few days, we visited the Beijing people's machinery plant, the Dahua shirt plant, and Dagao Village in Tongxian County, and were accorded an enthusiastic and friendly reception wherever we went. This manifested the Chinese people's sincere friendship towards the Korean people. In addition, we have also seen the masses of people's achievements in production and construction under the party's leadership. We heartily rejoice at this.



Li Ximing said: Since the third plenary session of the 11th party Central Committee, like elsewhere in the whole country, Beijing has witnessed great changes in its industrial and agricultural production, urban and rural construction, and market supply through reforms and opening up. Beijing Municipality has reaped bumper harvests for 10 successive years. In referring to the fact that some provinces and cities in our country were hit by serious floods, Li Ximing said: Floods first appeared in Beijing. The flood prevention and water storage facilities built by Beijing, such as Miyun reservoir, played a great role during the floods. Although some localities in the southern part of the country were hit by unprecedentedly serious floods, they succeeded in overcoming difficulties and conquering floods thanks to the united efforts of the party, the state, the army, and the masses of people. After the floods, the stable grain and commodity prices and the stable living of the masses of people of the whole country, including the disaster areas, fully manifested the advantages of the socialist system.

Li Ximing said: BEIJING RIBAO and Pyongyang News Agency have many years of friendly relations. It is hoped that through mutual understanding and exchange between the two agencies, the friendship between the peoples of the two countries will be further strengthened.

Li Zhijiang, member of the Standing Committee of the municipal party committee, and director of the propaganda department, was also present at the meeting. Pae Yong-chae, charge d'affaires ad interim of the Korean embassy in China, also attended the meeting.

#### **Japanese Foreign Minister Stresses Friendship**

OW1112153691 Beijing XINHUA in English  
1506 GMT 11 Dec 91

[Text] Tokyo, December 11 (XINHUA)—Japanese Foreign Minister Michio Watanabe promised today to make efforts to further develop Sino-Japanese relations and cooperation in the field of posts and telecommunications.

In a meeting with visiting Chinese Minister of Posts and Telecommunications Yang Taifang, Watanabe, who is also Japan's deputy prime minister, said it was of great significance that Japan and China had agreed to issue commemorative stamps in 1992.

The stamps will celebrate 20 years of normalized diplomatic relations.

Japanese Minister of Posts and Telecommunications Hideo Watanabe gave a cocktail party this evening in honor of Yang who arrived in Tokyo Monday for an eight-day visit to Japan.

#### **Minister Proposes Telecom Links With Japan**

OW1012140891 Beijing XINHUA in English  
1317 GMT 10 Dec 91

[Text] Tokyo, December 10 (XINHUA)—China and Japan agreed today to issue commemorative stamps in September 1992 to celebrate 20 years of normalized diplomatic relations.

The agreement was reached by visiting Chinese Minister of Posts and Telecommunications Yang Taifang and his Japanese counterpart Hideo Watanabe.

The two also agreed to strive for an international postal money order service between China and Japan by May 1992.

This would be a first for China although Japan already has such postal money order exchange arrangements with 63 countries.

Yang also proposed the two countries launch a joint satellite covering the Asia-Pacific region. Watanabe promised to study the proposal.

Their talks also covered the promotion of personnel exchanges and scientific cooperation between the two ministries.

Yang arrived in Tokyo Monday for an eight-day visit at the invitation of the Japanese Ministry of Posts and Telecommunications.

#### **Zou Jiahua Receives Japanese Trade Official**

OW1112114391 Beijing XINHUA in English  
1124 GMT 11 Dec 91

[Text] Beijing, December 11 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Noboro Hatakeyama, Japanese Vice-Minister of the International Trade and Industry, and his party here today.

They had a cordial conversation.

The guests arrived here Monday for a visit at the invitation of the Chinese Ministry of Foreign Economic Relations and Trade.

#### **Baoding Establishes Ties With Japan's Yonago**

SK0612080791 Shijiazhuang HEBEI RIBAO  
in Chinese 14 Oct 91 p 1

[By reporter Zhang Shuchun (1728 2885 2504): "Friendly Ties Established Between Baoding City and Japan's Yonago City"]

[Text] On 14 October, friendly ties were established between Hebei Province's Baoding City and Japan's Yonago City. Guo Zhi, chairman of the provincial People's Congress Standing Committee, attended the signing ceremony.

Located in Japan's Tottori Prefecture, Yonago has been having friendly contacts with Baoding City for over six years. During these years, the two cities have mutually sent delegations to conduct friendly exchange activities. The delegation visiting China headed by Takatomo Morita, mayor of Yonago City, arrived in Baoding on 12 October. At the signing ceremony held on the afternoon of 13 October, Zhou Deman, mayor of Baoding City, and Takatomo Morita respectively signed the agreement on behalf of their cities, and presented the flags of friendship to each other. In their speeches, representatives of the two sides pledged to conduct extensive exchange and cooperation in the fields of the economy and trade, science and technology, and culture and education, and to make continued efforts to pass the friendship between the peoples of the two countries from generation to generation.

Guo Zhi expressed warm congratulations at the signing ceremony.

Attending the signing ceremony were representatives from the Japanese Embassy to China, the Sino-Japan Friendship Association, and the provincial association for friendship with foreign countries.

#### **Vice Premier Zou Jiahua Attends Firm Opening**

OW1212112691 Beijing XINHUA in English  
1050 GMT 12 Dec 91

[Text] Beijing, December 12 (XINHUA)—A new Sino-Japanese joint venture, Shougang NEC Electronics Co. Ltd, was set up today in Beijing.

The construction project for the newly-established joint venture started today after a foundation-laying ceremony was held.

Among those who attended the ceremony were Li Ximing, member of the Chinese Communist Party Central Committee Political Bureau and secretary of the Beijing Municipal Party Committee, Zou Jiahua, vice premier and minister in charge of the State Planning Commission, Chen Xitong, state councilor and mayor of the Beijing Municipal Government and representatives and officials from the Japanese side.

The Shougang NEC Electronics Co. Ltd was co-sponsored by the Beijing Capital Iron and Steel Company and Japanese NEC. The Capital Iron and Steel Company was among the first enterprises which undertook comprehensive experiments of economic reform.

The company has some 3,000 engineers and technicians who are engaged in electronically-controlled main production equipment and production management.

The company can now develop and manufacture integrated circuits, computers, communication equipment, and household electronic appliances.

The newly-established joint venture has a total investment of 26 billion Japanese yen with Chinese holding 60 percent of the shares. Nec will transfer a whole set of production and

management technology, and will manufacture various integrated circuits of 130 varieties in 11 categories. These integrated circuits will meet the domestic demands for development of electronic-related products. Some of the projects will also be sold in the international markets.

The term of the joint venture is 20 years and the construction project will be completed in two years.

#### **Southeast Asia & Pacific**

##### **Envoy to SNC Presents Credentials to Sihanouk**

OW1212102091 Beijing XINHUA in English  
1011 GMT 12 Dec 91

[Text] Phnom Penh, December 12 (XINHUA)—Chinese representative to the Supreme National Council (SNC) of Cambodia, Fu Xuezhong, presented his credentials to Samdech Norodom Sihanouk, chairman of the SNC, today.

Sihanouk said Cambodians and the SNC will strive to strengthen the friendship between Cambodia and China, adding his country will closely cooperate with China on the basis of mutual respect and mutual trust.

The major task of Cambodia today is to rebuild the country and improve the people's living standards, the chairman said. The four sides are united in the SNC and will make concerted efforts to build Cambodia into a prosperous country, he continued.

He also said the SNC will provide conveniences for the Chinese representative office to perform its duties.

Fu said he will strive for strengthened Sino-Cambodian friendship during his tenure of office and is expecting to enjoy cooperation and help from the SNC.

Fu arrived in Phnom Penh on December 7.

##### **'Year-End' Views Cambodian Peace Accord**

OW1212045291 Beijing XINHUA in English  
1525 GMT 11 Dec 91

["Year-End" by Qi Deliang: "Full Implementation of Cambodian Peace Agreement, Hard Task Ahead"]

[Text] Bangkok, December 11 (XINHUA)—The year of 1991 saw marked progress in the Cambodian peace process, with the long-awaited peace agreement at last signed by the four Cambodian factions in Paris on October 23, thus the comprehensive political settlement of the 13-year-old conflict entering a crucial stage.

But the restoration of peace in Cambodia needs full implementation of the peace agreement, which is a hard task facing the four Cambodian factions and all parties concerned.

Firstly, the Supreme National Council of Cambodia (SNC) must be functional in Phnom Penh. The Paris peace agreement stipulates that during the 18-month

transitional period after the signing of the peace agreement, the SNC is the sole legal authority and the sources of power for Cambodia and during the whole transitional period it represents Cambodia's sovereignty, independence and unity and represents Cambodia at the U.N. and all other international organizations.

Under the peace agreement, all the SNC members must gather in Phnom Penh to help implement the peace agreement.

Unfortunately, within hours after his arrival in Phnom Penh from Thailand, Khieu Samphan, SNC member and leader of the Democratic Kampuchea Party (DKP), was attacked and injured in a bloody incident that occurred on November 27, and was forced to return to Bangkok.

This incident, which caused great concern to the international community, has cast a shadow on the normal functioning of SNC in Phnom Penh and the implementation of the peace agreement.

Consequently, the SNC held a special meeting in Pathaya, Thailand, one week later to work out the security measures for all SNC members.

The permanent functioning of the SNC in a safe environment in Phnom Penh is vital to the success of the Cambodian peace process.

Secondly, the U.N. Transitional Authority in Cambodia (UNTAC) has to play its role.

The peace agreement stipulates that the UNTAC will take over the control of the ministries of defense, finance, foreign affairs, public security and information which directly affects the election results in Cambodia. Under the agreement, the U.N. Advanced mission arrived in Phnom Penh last month to prepare the arrival of UNTAC scheduled next February.

Thirdly, the military arrangements in Cambodia will be another important task in 1992. Under the peace agreement, all foreign armed forces, advisors and military personnel must be pulled out from Cambodia along with their equipment once the agreement comes into effect. And all foreign military aids must be stopped at the time when the four Cambodian factions carry out ceasefire.

The agreement also stipulates that each of the four factions has to cut 70 percent of the armed forces after the conclusion of election registration and the remaining 30 percent will be demobilized before or after the elections.

To supervise the military arrangements in Cambodia, the U.N. needs 5,000 to 10,000 military personnel, about 2,500 police and a large number of civilian staff. From where the U.N. can get these personnel remains unsettled and the U.N. has to speed up its process in this regard.

Fourthly, the repatriation of Cambodian refugees is not an easy task. There are about 350,000 to 370,000 Cambodian refugees living in eight refugee camps along the

Thai-Cambodian border. Thailand, the U.N. High Commissioner for Refugees and other parties concerned have already started the preparation work, including setting up four centers at the eastern border for refugee registration and seeking international support to repair railways, highways and other facilities that could be used for repatriation.

The realization of the above mentioned tasks in 1992 will pave the way for the elections scheduled in 1993.

#### **Burmese Writers Delegation Visits Yunnan Province**

OW1112113091 Beijing XINHUA in English  
1105 GMT 11 Dec 91

[Text] Yangon, December 11 (XINHUA)—A six-member Myanmar [Burma] writers delegation led by U Soe Nyunt [name as received], chairman of the Myanmar Literary and Journalists Organization, left here for Kunming, the capital of southwest China's Yunnan Province, this afternoon.

At the invitation of the Yunnan Branch of the Chinese Writers Association, the delegation will pay a two-week friendly visit to the neighboring province of China.

The Myanmar writers will exchange experience with their Chinese colleagues and visit Kunming and other cities of the province.

The delegation was seen off at the Yangon Airport by U Myo That [name as received], secretary of the Myanmar Literary and Journalists Organization and Pan Houxing, cultural counsellor of the Chinese Embassy here.

#### **Chinese Writers Meet Burmese Culture Minister**

OW1112131991 Beijing XINHUA in English  
1244 GMT 11 Dec 91

[Text] Yangon [Rangoon], December 11 (XINHUA)—Lt Gen Phone Myint, Myanmar [Burma] Minister for Culture and for Information, met here today the Chinese writers delegation led by Han Xiao.

In the friendly conversation, the minister said: The Myanmar and Chinese people are relatives and brothers. The two countries have traditional friendship and good relations."

He hoped that the friendly interchange between the two peoples would be further developed and strengthened.

Present on the occasion was Chinese Ambassador to Myanmar Liang Feng.

The delegation arrived here this afternoon on a two-week friendly visit to Myanmar in accordance with the China-Myanmar cultural exchange plan.

Simultaneously, a six-member Myanmar writers delegation left here this afternoon for Kunming, the capital of southwest China's Yunnan Province bordering Myanmar, on a friendly visit there.



#### **Procuratorial Delegation Departs for Malaysia**

OW0612113291 Beijing XINHUA in English  
0908 GMT 6 Dec 91

[Text] Beijing, December 6 (XINHUA)—A delegation from the Chinese Supreme People's Procuratorate (CSPP), headed by its Deputy Procurator-General Xiao Yang, left Beijing today for Kuala Lumpur on a goodwill visit at the invitation of the attorney-general's office of Malaysia.

This is the first contact between Chinese and Malaysian procuratorates.

#### **Procuratorate Delegation Leaves for Philippines**

OW1012051591 Beijing XINHUA in English  
0336 GMT 10 Dec 91

[Text] Beijing, December 10 (XINHUA)—A delegation from the Chinese Supreme People's Procuratorate, headed by Deputy Chief Procurator Chen Mingshu, left here today for Manila on a goodwill visit to the Philippines.

This is the first such delegation to visit the Philippines.

Seeing the delegation off at the airport were Deputy Chief Procurator of the Supreme People's Procuratorate Feng Jinwen and officials from the Philippine Embassy here.

### **Near East & South Asia**

#### **Reportage Views Premier Li Peng's Visit to India**

##### **Journal Previews Visit**

HK1212092091 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 49, 9 Dec 91 p 3

[Article by Li Nan (2621 2809): "Developing Long-Term, Stable, Friendly Neighborly Relations With India"]

[Text] Premier Li Peng is going to visit India soon. This important visit is a matter of primary importance in the history of developing Sino-Indian relations. He will be the first premier of the Chinese Government to set foot on Indian soil in 31 years.

India was one of the earliest countries to recognize New China, establishing diplomatic relations in April 1950. For a period of time in the 1950's, relations between the two countries developed smoothly, and they cooperated in many international affairs. Sufficient progress was also made in their economic and trade relations, but, after that, it was a matter of regret that Sino-Indian relations were not normal for a fairly long period of time. It is fortunate that substantial improvement and development have been achieved in the two countries' relations in recent years. There is an upward tendency in their economic and trade contacts, scientific and technical cooperation, and personnel exchanges. In December 1988, Indian Prime Minister Rajiv Gandhi visited China after a 34-year hiatus. The Chinese and

Indian sides signed a Joint Communiqué and a series of agreements. Positive achievements were made in improving and developing their mutual relations. Premier Narasimha Rao has continued to make efforts to promote the development of friendly relations between the two countries since taking office in June this year.

Under the condition of increasing and improving bilateral relations, the visit of the Chinese Prime Minister to India, a country both ancient and young, is timely and is in line with the interests of both sides. It will naturally push relations between the two countries a step forward and benefit the development of their long-term, stable, and friendly neighborly relations.

The Five Principles of Peaceful Coexistence jointly proposed by China and India in April 1954 filled a brilliant and praiseworthy page in the history of the development of Sino-Indian relations. This creative initiative still shines to date and demonstrates its strong vitality. It has made contributions to contemporary international political relations and has been widely accepted by the international community. It has been regarded as a basic norm for guiding and handling international relationships. On the occasion of the Chinese premier's visit to New Delhi, people cannot but recall this historical fact which glistens with the wisdom of oriental nations.

China and India are both ancient countries with brilliant cultures and civilizations and share a history of contacts over several thousand years. In ancient times, people from the two countries climbed over high mountains, crossed snowfields, traversed deserts, and conquered fierce waves to initiate and develop their friendly exchanges, which were beneficial to the cultural development of the two countries. In the contemporary period, the two countries have been oppressed by imperialism and shared a similar fate. Both are large developing countries that have enormous populations and vast territory. They share a border of approximately 2,000 km, and their combined population accounts for two-fifths of the world population. They face similar problems and share much common ground. There is no reason for the two countries not to live in harmony, benefit one another, and develop their friendly, cooperative relations. Making efforts to ensure the smooth development of such relations is in the interests of the two countries. Leaders of the two countries have recently expressed their sincere wishes on many occasions about living in harmony and developing relations.

Both sides are satisfied with the recent improvement and development of their relations. Bilateral trade volume has increased more rapidly than before and border trade has been restored. Both sides have signed trade, scientific and technical cooperation, civil aviation and transportation, and cultural agreements. Judging from their own needs and possibility, the two countries have vast potential and ample room to promote their cooperation.

Contact at high level is an effective way of promoting understanding and solving difficult questions in the

international community. In recent years, the number of various kinds of mutual visits between China and India has increased and high-ranking officials have also contacted each other from time to time. After the 1980's, the prime ministers of the two countries met several times on international occasions. Through high-level contact, the present visit by the Chinese prime minister will undoubtedly be helpful to the development of good-neighborly relations.

There still exists a fairly difficult boundary argument between China and India. This issue is left over from history and is a product of the colonial period, and it was the heart of the previous sour relations. Talks were held on several occasions to solve the issue. Since Premier Rajiv Gandhi's visit to China, both sides have established the Sino-Indian Joint Boundary Working Group, which has held three rounds of talks. Although no substantial progress has been made, profound and useful discussions have been conducted to enhance our mutual understanding. This will be useful to the final settlement of the issue of maintaining tranquility and stability in the border area.

What is important is that both sides have agreed to solve the issue through negotiations, in a peaceful and friendly way. While seeking a method acceptable to both sides, they actively develop relations in other aspects and exert efforts to create atmosphere and conditions beneficial to the rational settlement of the issue. Because of each side's sincerity, a method can be devised to resolve the issue.

China's economy has achieved substantial development since the reform and opening up policy was implemented. The pace of construction in India has also been increased. As both countries are rich in natural resources, they are able to fully complement one another. In this regard, both sides not only want to expand their exchanges but also seek sufficient scope for cooperation. We believe that the present six-day visit will score achievements in economic, trade, scientific, and technical cooperation between the two countries.

Developing Sino-Indian good-neighborly and friendly relations has important significance for peace in Asia and even the world. It will make positive contributions to establishing a new international order, developing South-South cooperation, and promoting North-South dialogue.

China has obtained gratifying results in implementing a peaceful foreign policy and improving and developing relations with nearby countries. The present visit to India by the Chinese prime minister is another manifestation of China's good-neighborly and friendly policy.

#### Li Peng Welcomed Upon Arrival

OW1112135191 Beijing XINHUA in English  
1322 GMT 11 Dec 91

[Text] New Delhi, December 11 (XINHUA)—Chinese Premier Li Peng was accorded a grand, red carpet welcome upon his arrival here this afternoon to start a five-day official goodwill visit to India.

The first by a Chinese head of government in 31 years, the Chinese Premier's current visit is regarded as an important milestone in the development of Sino-Indian relations.

In a written statement distributed shortly after the premier's special plane landed at the palam airport around 15:00 local time, Li Peng said, "I am convinced that my current visit will help increase mutual understanding, deepen friendship, expand cooperation and promote an enduring and steady development of the Sino-Indian relations."

In an exclusive interview with XINHUA Monday, Indian Prime Minister P.V. Narasimha Rao said he believed that Premier Li's visit here "will contribute to the further improvement of our relations and will be another important milestone in our relations."

Indian Minister of External Affairs Madhav Singh Solanki and other Indian officials greeted Premier Li and his entourage at the airport, before a welcome ceremony was held at the forecourts of the presidential palace of Rashtrapati Bhavan.

Premier Li shook hands with his Indian counterpart Rao at the beginning of the ceremony. A band played the national anthems of both countries before the Chinese premier was invited to review the guard of honor.

Li Peng and his wife Zhu Lin will stay in the presidential palace during the five-day visit.

Today, colorful flags lined the motorcade route from the airport to the presidential palace, and the national flags of the two countries are hoisted at the major roundabouts along the road.

Indian Minister of Defense Sharad Pawar, Minister of External Affairs Madhav Singh Solanki, Minister of Agriculture Balram Jakhar, Minister of Human Resources Development Arjun Singh, and other senior Indian officials were also present at the ceremony.

During his five-day stay here, Premier Li is expected to call on Indian President Ramaswami Venkataraman and have talks with Prime Minister Rao on bilateral relations and international issues.

Among those accompanying Premier Li on the visit are Li's wife Zhu Lin, state councillor and foreign minister Qian Qichen, and Minister of Foreign Economic Relations and Trade Li Lanqing.

#### Welcome Ceremony Detailed

OW1212012591 Beijing XINHUA Domestic Service  
in Chinese 1450 GMT 11 Dec 91

[By reporters Zhou Shuchun (0719 2885 2504) and Zeng Hu (2582 5706)]

[Text] New Delhi, 11 December (XINHUA)—At the invitation of Indian Prime Minister Narasimha Rao, Chinese Premier Li Peng arrived in New Delhi's Palam Airport by special plane this afternoon to begin his

five-day official and friendly visit to India. This is the first visit a Chinese premier has paid to India in 31 years.

Premier Li Peng's visit coincides with the best season of the year in New Delhi, and today it is warm and breezy and bright sunshine. Chinese and Indian flags fluttered in the wind at Palam Airport, and flags of various hues and huge pictures of Premier Li Peng and his wife Zhu Lin were hung along highways leading from the airport to the downtown areas. A streamer with characters that read "Welcome Premier Li Peng" was hung across a thoroughfare.

Premier Li Peng's special plane landed slowly at the Palam Airport shortly after 1500 local time. Arriving with Premier Li Peng on the same plane were Premier Li Peng's wife Zhu Lin, Qian Qichen, state councilor and minister of foreign affairs; Li Lanqing, minister of foreign economic relations and trade; Xu Dunxin, vice minister of foreign affairs; Liu Jiyuan, vice minister of aerospace industry; Wang Mengkui, deputy director of the Research Office under the State Council; Wang Fuzhong, a special assistant; and Jiang Yunbao, director of the premier's office. Greeting Premier Li Peng at the airport were Indian Foreign Affairs Minister Madhav Singh Solanki and others.

When Premier Li Peng's motorcade arrived at the plaza in front of the Presidential Building in central New Delhi, Prime Minister Rao, who was waiting there, stepped forward to greet them. They shook each other's hands warmly and exchanged greetings.

Then the Prime Minister hosted a grand ceremony to welcome Premier Li Peng. The military band played the national anthems of China and India. Premier Li Peng reviewed the honor guards amid the strains of military music.

Present at the welcoming ceremony were Zhu Lin, Qian Qichen, Li Lanqing, and others; and high-ranking Indian officials, including Indian Defense Minister Sharad Pawar and Foreign Affairs Minister Madhav Singh Solanki.

Then Prime Minister Rao escorted Premier and Madam Li Peng to the guest house, where they took a short rest. On behalf of the Indian Government and people, Prime Minister Rao warmly welcomed Li Peng, saying that he already met with Premier Li Peng in 1988 when he accompanied former prime minister Rajiv Gandhi in visiting China. Li Peng said: "I am very glad to visit India. This is my first visit to India, and it is also my long-cherished wish."

Upon his arrival in New Delhi, Premier Li Peng issued a written statement at the airport. He said: "India is a country with a long history and brilliant culture. The hardworking and intelligent Indian people have made major contributions to human society's development. Chinese people heartily rejoice at the world-renowned achievements made by India in industrial and agricultural production and in the sphere of science and technology after its independence."

Li Peng said: "China and India have a long history of friendly contacts, and the people of the two countries have sympathized and supported one another during the cause of fighting against imperialism and colonialism and for national independence and liberation. During the 1950's leaders of the two countries initiated the well-known Five Principles of Peaceful Coexistence. In recent years, and especially following late Prime Minister Rajiv Gandhi's visit to China, the two countries have achieved gratifying and encouraging progress in the development of relations and many other areas."

Li Peng said: "The Chinese people always cherish friendly feelings toward the Indian people and also highly cherish traditional Sino-Indian friendship. The Chinese Government sincerely hopes that Sino-Indian good neighborliness and friendly relations can continue to develop on the basis of the Five Principles of Peaceful Coexistence." He said: "Sino-Indian friendship not only in line with the two peoples' wishes and interests, but also is in the interests of peace and stability of Asia and the world."

Li Peng expressed the belief that "the visit certainly can help promote understanding, deepen friendship, and expand cooperation between the two countries and bring about a steady and long-term development of their relations."

Prime Minister Rao hosted a grand banquet here this evening in honor of Premier Li Peng's visit.

#### Premier Rao, Li Peng Address Banquet

OW1212051991 Beijing XINHUA Domestic Service  
in Chinese 0100 GMT 12 Dec 91

[By reporter Zhan Dexiong (6124 1779 7160) and Zhou Shuchun (0719 2885 2504)]

[Text] New Delhi, 11 December (XINHUA)—Indian Prime Minister Narasimha Rao hosted a grand state banquet at the Hyderabad Palace here in honor of the visiting Chinese Premier Li Peng.

The architecturally simple but graceful palace in central New Delhi, is where India gives state banquets in honor of its guests. The palace's brightly illuminated banquet hall was imbued with a warm and friendly atmosphere this evening.

Prime Minister Rao and Premier Li Peng gave warm speeches at the banquet.

Rao called Li Peng's visit a "historic occasion." He said: "Your visit retraces and revives the ancient tradition of creative interaction between the Indian and Chinese peoples and contributes to the establishment of new channels of cooperation."

He said that high-level political dialogue between the two countries is of great significance because through it we can facilitate the resolution of outstanding issues.



[In a similar report, Beijing XINHUA in English at 1948 GMT on 11 December adds: "We are therefore happy to receive you in our country and are conscious of the significance of your visit in terms of its potential to further our mutual interests both regionally and globally," he said.]"

He said: The Indian Government and people sincerely wish to deepen understanding and strengthen cooperation with China. "We hope to strengthen Indian-Chinese relations because we both are dedicated to peace and development."

He pointed out that the Five Principles of Peaceful Coexistence initiated by China and India contain clear guidelines governing peace and mankind's survival. "Any international order, be it new or old, should follow these principles so that its name and substance can match," he said.

On the two countries' boundary issue, Rao said that the Indian government is determined to seek a just and rational solution to this issue. He said: "I believe we can find such a solution through peaceful means."

He expressed the belief that Indian-Chinese cooperation in the economic, cultural, scientific-technological, trade, and educational areas can be strengthened through working hard together.

In reply, Premier Li Peng said: As close neighbors linked by mountains and rivers, the peoples of the two countries have been in contact for over 2,000 years. India was among the first countries to establish diplomatic ties with the PRC since its founding, and India was among those that worked unremittingly for the restoration of China's Legitimate seat in the UN.

He said: Back in the 1950's, Chinese Premier Zhou Enlai and Indian Prime Minister Nehru jointly initiated the Five Principles of Peaceful Coexistence, which not only serve as the basis for developing our bilateral relations but also confirmed by many countries as the basic norms governing state-to-state relations. These principles have shown ever-increasing brilliance and great vitality.

Li Peng said: "The past few years have witnessed marked improvement and growth of Sino-Indian ties, thanks to the concerted efforts of both sides. In particular, the late Indian Prime Minister Rajiv Gandhi's visit to China in 1988 injected new vitality into Sino-India ties. As a result, our political, economic, trade, scientific-technological, and cultural relations have been growing steadily, and our cooperation in the international arena is growing stronger."

He pointed out: "Although the boundary issue remains outstanding, neither side wishes to see it become an obstacle to the development of our bilateral relations and both share the desire to maintain peace and tranquility in the border areas." Li Peng expressed the belief that a reasonable solution can finally be found through amicable consultations conducted in a spirit of mutual understanding and mutual accommodation, and that the

Sino-Indian boundary will eventually become a bond of friendship linking the peoples of the two countries.

On the international situation, Li Peng said: "The establishment of a just and rational new international political and economic order has become a universal concern. It is the position of the Chinese Government that the Five Principles of Peaceful Coexistence should serve as the basis for a new international political and economic order; and that all countries, big or small, strong or weak, rich or poor, should treat each other as equals irrespective of their social systems."

He said: "As the two largest developing countries in his complex and volatile world, China and India have all the more reason to strengthen cooperation and, together with the international community, make new contributions to the establishment of a new world order and to the promotion of world peace and development."

He expressed the belief that the Chinese and Indian peoples, who have created splendid ancient civilizations, are certainly capable of great accomplishments as we move into a new historical period, the 21st century.

[In a similar report, Beijing XINHUA in English at 1948 GMT on 11 December adds: "In his reply, Li Peng praised the Indian people's 'outstanding contributions to mankind's treasure-house of knowledge' as well as their 'indomitable spirit in the struggle against colonial rule and for national independence.'"

Since independence, Li noted, the Indian people have made "remarkable achievements in nation-building."

In international affairs, he continued, India plays an important role by pursuing a foreign policy of independence and non-alignment, working hard for and contributing to the strengthening of the non-aligned movement and the promotion of North-South dialogue.

"We sincerely wish the Indian people ever greater success on their road of advance," he said.]"

Zhu Lin, wife of Premier Li Peng; Qian Qichen, state councilor and minister of foreign affairs; Li Lanqing, minister of foreign economic relations and trade, and other Chinese officials as well as high-ranking Indian officials were present at the banquet.

Li Peng and Rao had a brief meeting before the banquet.

#### Further on Li Peng Remarks

OW1112192291 Beijing XINHUA in English  
1909 GMT 11 Dec 91

[Text] New Delhi, December 11 (XINHUA)—Chinese Premier Li Peng, addressing a welcome banquet here this evening, called for strengthened Sino-Indian cooperation "in this complex and volatile world."

The international situation today is undergoing major changes, Li said at the welcome dinner given in his honor by Indian Prime Minister Narasimha Rao.

As the two largest developing countries in this complex and volatile world, China and India have "all the more reason" to strengthen cooperation and, together with the international community, make new contributions to the establishment of a new world order and to the promotion of world peace and development, the premier said.

When Rajiv Gandhi visited China three years ago, Li recalled, the late Indian prime minister stressed the need for a forward-looking attitude in developing Sino-Indian relations.

"It is now time to restore the relationship between our countries to a level commensurate with the contribution which our civilizations have made to the world" and "between us, we represent a third of humanity," Li quoted Gandhi as saying, "there is much we can do together."

"I cannot appreciate his remarks more," Li said, adding that Rajiv Gandhi "did his share for the Sino-Indian relations that he cherished."

"I am convinced that the successors to his cause will continue to pursue this objective," the Chinese premier said.

"The Chinese and Indian peoples, who have created splendid ancient civilizations, are certainly capable of greater accomplishments as we move into a new historical period, the 21st century," he pointed out.

While there is relaxation, Li said, turbulence and instability have become "a salient feature" of the world situation, as marked by "the sharpening of some new conflicts, intensifying North-South contradictions, widening gap between the rich and poor."

"Weighed down under crushing debt burdens and worsening terms of trade," many developing countries face formidable challenges, he said.

Against this backdrop, he said, the establishment of a fair and equitable new international political and economic order has "come to be a universal concern."

It is the position of the Chinese Government that the Five Principles of Peaceful Coexistence should serve as the basis for a new international political and economic order, he said.

Also, all countries, big or small, strong or weak, rich or poor, should treat each other as equals irrespective of their social systems, he added.

They should respect each other, engage in friendly cooperation and live in harmony, he noted.

#### **Li Peng, Indian President Meet**

OW1212115791 Beijing XINHUA in English  
1146 GMT 12 Dec 91

[Text] New Delhi, December 12 (XINHUA)—Visiting Chinese Premier Li Peng and Indian President

Ramaswami Venkataraman agreed here today that China and India need to increase their cooperation in the present changing world.

The two leaders shared the belief when Li Peng called on Venkataraman at the presidential palace.

After a brief exchange of greetings, the 81-year-old Venkataraman, on behalf of the Indian government, expressed his most sincere and warmest welcome to the Chinese premier.

He said that he hopes this first visit to India by a Chinese premier in 31 years will signal the further development and strengthening of the relations between India and China.

The Indian president said that there are many fields in which bilateral cooperation can be promoted, especially in the fields of trade, economics and culture.

India and China are complementary to each other in the aspect of trade and economic development, he said, adding that there is vast potential in scientific and technological cooperation between the two countries.

The Chinese premier recalled that China and India once enjoyed very good relations and the then premiers of the two countries jointly initiated the five principles of peaceful coexistence.

He said the visit to Beijing by late Indian Prime Minister Rajiv Gandhi in 1988 had played a positive role in pushing for the improvement and development of bilateral ties.

The recent years have seen increased exchanges between the two countries in the areas of politics, economics and trade, science and technology, and culture, he said. Bilateral cooperation in world affairs increased too, he added.

Li expressed the hope that his current visit will help further promote bilateral ties in all fields.

As China and India are two largest developing countries in the world, increased Sino-Indian cooperation will not only be of significance to the two peoples, but also to world peace and development in the present complicated and volatile international situation, Li stressed.

Agreeing with the Chinese premier's remarks, Venkataraman said though there are differences between the two countries, their politicians will surely find solutions to the problems.

Similarly, Li said despite the differences, common points between the two countries are the mainstream after all.

Li said the two countries must have a long-term vision and proceed from a global perspective in developing bilateral relations.

Venkataraman said the changes in the world make it necessary for India and China to strengthen their cooperation.

During the meeting, Li conveyed Chinese President Yang Shangkun's greetings to Venkataraman as well as Yang's invitation for Venkataraman to visit China when convenient.

The Indian president happily accepted the invitation, and asked Premier Li to remember him to President Yang.

After the meeting, Venkataraman hosted a luncheon in honor of the Chinese premier.

Li Peng arrived here Wednesday on a five-day official goodwill visit.

#### **Li Peng, Premier Rao Begin Talks**

*OW1212120991 Beijing XINHUA in English  
1154 GMT 12 Dec 91*

[Text] New Delhi, December 12 (XINHUA)—Visiting Chinese Premier Li Peng began formal talks with his Indian counterpart Narasimha Rao here this afternoon.

The two leaders are expected to discuss a range of issues, including bilateral relations and the changing world situation.

Chinese State Councilor and Foreign Minister Qian Qichen and Minister of Foreign Economic Relations and Trade Li Lanqing attended the talks, along with senior Indian officials.

Li arrived here Wednesday for a five-day official goodwill visit.

#### **Indian Ambassador Presents Books to University**

*OW0712084991 Beijing XINHUA in English  
0813 GMT 7 Dec 91*

[Text] Beijing, December 7 (XINHUA)—Salman Haidar, Indian ambassador to China, recently presented 900 books in Hindi and Sanskrit and a set of Hindi-teaching software to Beijing University, CHINA EDUCATION NEWS reported today.

It is the first time that Salman Haidar visited Beijing University since he assumed the chief post in the Indian Embassy last July.

Salman Haidar visited and spoke with students at the East Language Department of the university.

Beijing University has received more than 2,000 volumes of books from the Indian Embassy to China.

#### **Iranian Majles Speaker To Visit 16-21 Dec**

*OW1212081191 Beijing XINHUA in English  
0755 GMT 12 Dec 91*

[Text] Beijing, December 12 (XINHUA)—Mehdi Karrubi, speaker of the Iranian Islamic Consultative Assembly (Majles), will pay an official good-will visit to China from December 16 to 21, a Chinese Foreign Ministry spokesman announced here today.

Karrubi has been invited by Wan Li, chairman of China's National People's Congress Standing Committee.

#### **PLO Official on Autonomy in Occupied Territories**

*OW1212062291 Beijing XINHUA Domestic Service  
in Chinese 0353 GMT 11 Dec 91*

[By reporter Gong Zhenxi (2162 2182 0823)]

[Text] Tunis, 10 December (XINHUA)—Sulayman al-Najjab, member of the Executive Committee and chairman in charge of the Social Affairs Department of the Palestine Liberation Organization [PLO], today said: Palestinians refuse the Israel-proposed program of practicing autonomy in the occupied territories, but will accept the idea of setting a transition period for Israel to withdraw from the occupied territories.

In an interview to a XINHUA reporter here today, Najab said: Setting a transition period is to facilitate Israel to withdraw from the occupied territories, including East Jerusalem, and to turn over the jurisdiction over the land and the people to the representative of the Palestinian people.

He said: Israel attempts to connect the term autonomy with the wording in the Camp David Accords by insisting on using this term.

Najab maintained that the Camp David Accords merely defines autonomy as exercising limited authority over administrative affairs, which deal with residents instead of land. Therefore, autonomy with such a definition is unacceptable.

He censured Israel for playing tricks and trying to disconnect Palestinian residents on the occupied territories from where they live, so as to entice them to give up their sovereignty over their own land.

Najab also called on the international community to support the Palestinian people's intifada against Israel. He said that the intifada is still widely supported by the people.

#### **Bangladesh Hopes For Population Control Help**

*OW0612221791 Beijing XINHUA in English  
1736 GMT 6 Dec 91*

[Text] Dhaka, December 6 (XINHUA)—Bangladesh Prime Minister Begum Khaleda Zia today hoped that cooperation between Bangladesh and China in the sphere of population control will be further strengthened.

She was speaking to a five-member Chinese delegation headed by Minister in charge of the State Family Planning Commission Peng Peiyun here today.

The prime minister said Bangladesh is one of the world's densely populated countries and her government is now making great efforts to control the population growth rate.



She said Bangladesh will start the fourth health and population project from the beginning of 1992 and expects China to extend assistance to Bangladesh for its family planning.

The prime minister attached importance to the friendship between Bangladesh and China and hoped that the good relationship and cooperation between the two countries and two parties will be further strengthened.

The prime minister described her China visit in June this year as successful and hoped to visit China again "when the weather turns warm."

During the meeting, Peng explained in detail the methods China is adopting in controlling population growth. She said that with a population of 1,100 million, China should control the population growth.

### West Europe

#### Yang Shangkun Accepts Irish Envoy's Credentials

OW1212130591 Beijing Central Television Program  
One Network in Mandarin 1100 GMT 12 Dec 91

[From the "National News Hookup" program]

[Text] Thelma Dolan, the new Irish ambassador to China, presented her credentials to President Yang Shangkun this afternoon.

[Video shows medium shots of Yang Shangkun accepting credentials from Thelma Dolan, Ireland's new ambassador, shaking hands with her, and posing with her and five other officials for a group photo]

#### Maltese President, Party Arrive In Shanghai

OW1212043991 Shanghai People's Radio Network  
in Mandarin 2230 GMT 10 Dec 91

[From the "Morning News" program]

[Text] Accompanied by Chen Minzhang, chairman of the Chinese Government Reception Committee and minister of public health, Maltese President Vincent Tabone, his wife, and his party arrived from Beijing last evening [10 December] by special plane to visit Shanghai.

Vice Mayor Zhuang Xiaotian, deputy director of the municipal Foreign Affairs Office (Xu Daochun), and others welcomed them at the airport.

#### President Visits Nanpu Bridge

OW1212120491 Shanghai People's Radio Network  
in Mandarin 2300 GMT 11 Dec 91

[From the "Morning News" program]

[Text] Shanghai Mayor Huang Ju met with and feted Vincent Tabone, president of the Republic of Malta, and his wife and party in the Xinjinjiang Hotel last night [11 December]. Huang Ju extended his warm welcome to the

distinguished guests from the Mediterranean, and briefed them on the achievements made by Shanghai in reform and opening up to the outside world in last decade and more.

President Tabone visited Shanghai 13 years ago. He said that great changes have taken place in Shanghai in the past 13 years. In the morning, President and Mrs. Tabone toured Nanpu Bridge. On the middle section of the main bridge, Vice Mayor Zhuang Xiaotian briefed the president about the bridge.

The president kept saying: This is a very beautiful bridge.

Then the Maltese distinguished guests' motorcade drove across the bridge to Zhoupu Township in Nanhui County. They visited crop fields, kindergarten, and rural enterprises, and called on some peasant families there.

[In a similar report, Shanghai People's Radio Network in Mandarin at 1100 GMT on 11 December says: "Taking the road of joint prosperity, Zhoupu Township's per capita income exceeded 1,500 yuan last year, increasing by 350 percent as compared with per capita income 10 years ago. President Tabone praised China's policy of reform and opening-up to the outside world for bringing real benefits to the peasants. This afternoon, President Tabone and his party also visited the Shanghai No. 1 Silk Products Printing and Dyeing Plant and other places in Shanghai."]

#### Leaves Shanghai for Guangzhou

OW1212122191 Shanghai People's Radio Network  
in Mandarin 1000 GMT 12 Dec 91

[From "News and Weather" program]

[Text] Vincent Tabone, president of the Republic of Malta, and his wife concluded their visit to Shanghai and left for Guangzhou by special plane this afternoon. Zhuang Xiaotian, (?Xu Zhaosheng) and others went to the airport to see them off. President Tabone and his wife visited (words indistinct) in Shanghai today.

#### Icelandic Premier Receives New Chinese Envoy

OW1212103091 Beijing XINHUA Domestic Service  
in Chinese 0435 GMT 11 Dec 91

[Text] Stockholm, 10 Dec (XINHUA)—Reykjavik report: Icelandic Prime Minister Oddsson received Zheng Yaowen, the new Chinese Ambassador to Iceland, on 10 December afternoon. Oddsson said that Iceland attaches great importance to its friendly and cooperative relations with China and is willing to continue developing these good and solid relations.

During the reception, Prime Minister Oddsson greeted the 20th anniversary of the establishment of diplomatic relations between Iceland and China. He emphasized that, although the two countries are different in social system, their relations have been very good since they

established diplomatic relations, and that the Icelandic people always have cordial and friendly feelings for the Chinese people.

**Italian Trade Delegation Arrives in Tianjin 4 Nov**  
*SK1212065291 Tianjin TIANJIN RIBAO*  
*in Chinese 6 Nov 91 p 1*

[By reporter Wang Yongliang (3769 3057 0081) "The Economic and Trade Delegation From Italy's Lombardia Region Arrives in Tianjin"]

[Text] At the invitation of municipal authorities, an economic and trade delegation from the Lombardia region of Italy, which is headed by Luciano Forcellini, Lombardian official in charge of industry and handicrafts, arrived in Tianjin Municipality on 4 November for a four-day visit during which he will carry out economic exchange activities and hold talks.

The Lombardia region of Italy has friendly ties with our municipality. These ties were established between the region and the municipality in 1985, and the economic and trade exchanges that have been conducted ever since have played a tremendous role in promoting bilateral economic development and cooperation and friendship between the people's of the region and the municipality. The arrival of the Italian regional economic and trade delegation is aimed at promoting bilateral industrial and trade exchanges and increasing to substantive levels the export trade of medium-sized and small enterprises in the region and the municipality, as well as joint ventures and cooperation in industrial trade fields. The Italian delegation is composed of 87 members representing 44 companies and corporations in the Lombardia region

and is the largest economic and trade delegation from Italy since friendly ties were established between the region and the municipality.

On the morning of 5 November, Vice Mayor Li Shenglin received the Italian delegation at the Sheraton Hotel. During the reception, he briefed the Italian delegation on municipal reforms, the opening-up policy, and the investment climate. Geng Jianhua, deputy director of the municipal foreign affairs office, held talks with Luciano Forcellini on future friendly exchanges and cooperation. The municipality's relevant commissions, bureaus, companies, and enterprises also held talks with the Italian delegation members from similar organizations.

**Minister Extends Technology Accord With France**  
*OW1112181591 Beijing XINHUA in English*  
*1439 GMT 11 Dec 91*

[Text] Paris, December 11 (XINHUA)—China and France added fresh ink Tuesday to a 1983 agreement on cooperation on railway science and technology.

Chinese Minister of Railways Li Senmao and French Minister of Supply, Housing, Transports and Space Paul Quiles signed the new amendments at a ceremony in Paris.

The additional articles reaffirmed the original agreement between the two ministries and extended its term of validity another five years.

Both sides stressed the need for further cooperation to establish industry and trade partnerships between the two countries.

Li, who arrived in France Monday at Quiles' invitation, is due to fly home on December 15.

## Political & Social

### Jiang Zemin Delivers Speech on Xian Incident

OW1112194891 Beijing XINHUA Domestic Service  
in Chinese 1343 GMT 11 Dec 91

[Speech Made by Jiang Zemin on 11 December 1991 at a Forum Commemorating the 55th Anniversary of the Xian Incident]

[Text] Beijing, 11 December (XINHUA)—Comrades:

Today we are holding a forum to commemorate the 55th anniversary of the Xian Incident. Fifty-five years ago, our motherland was ridden with disasters and subject to frequent wars. After occupying northeast China, Japanese imperialism stepped up its attacks on northern China in an attempt to turn China into its colony. The Kuomintang government headed by Chiang Kai-shek, ignoring the peril the nation was facing, continued the anti-communist and anti-popular civil war by ordering the Northeast Army under the command of General Zhang Xueliang [Chang Hsueh-liang] and the 17th Route Army under the command of Yang Hucheng [Yang Hu-cheng] to attack the worker-peasant Red Army in northern Shaanxi. At a critical juncture when the country and nation were in grave danger, General Zhang Xueliang and General Yang Hucheng, under the influence of the CPC's anti-Japanese national united front policy and the anti-Japanese movement whipped up by the people across the country, placed national interests above all else and ignored their personal safety, and resolutely carried out a military maneuver in Xian on 12 December 1936 during which they detained Chiang Kai-shek and published an eight-point proposal in an open telegram to the nation in order to force Chiang to resist the Japanese by allying with the CPC. This was the Xian Incident, which shocked people at home and abroad. As a result of the efforts made by the CPC and the two generals, Chiang Kai-shek was compelled to accept the demand to unite in resisting Japan, thus ending the 10-year civil war and beginning the second round of cooperation between the Kuomintang and the CPC, and laying the political foundation for all-out resistance against Japan. Speaking highly of the incident and Generals Zhang and Yang, Comrade Zhou Enlai said: "The significance of the 'double 12' [12 December] incident is that it was a historical turning point that brought about an end to the civil war and a mobilization for a war of resistance against Japan." "Generals Zhang and Yang have made great contributions to the war of resistance against Japan," and "are heroes who have rendered outstanding service to the nation."

The Xian Incident has left us with many valuable lessons. Most importantly, it showed that patriotism is a great force that can bind the Chinese nation together and serve as a great spiritual motivation that can stimulate social development in China. The more difficult the times and the more critical the juncture, the more the Chinese people's patriotism demonstrates its powerful strength. The Xian Incident

also showed that the CPC and the Kuomintang, despite accumulated mutual historical rancor, can unite and join hands to cooperate under the great banner of patriotism and national interest.

Earthshaking changes have taken place in the vast land of our motherland in the past 55 years. Under the leadership of the CPC, the people of all nationalities across the country, working hard to make the nation strong, have turned the old China that was backward, poor, and subjected to endless bullying and humiliation into an independent New China with initial prosperity. Our country has now stepped into the new period of socialist modernization, and our party is leading the masses of people to devote themselves to building socialism with Chinese characteristics by focusing on economic construction and adhering to the four cardinal principles and reform and the open policy.

Reunifying the motherland and invigorating the Chinese nation are the cause of the entire nation. Every Chinese, regardless of position and religious belief, should contribute his strength to this cause. However, regrettably, the great cause of national reunification has not yet been completed because the Taiwan authorities still adhere to the position of "opposing communism and refusing peace talks" in the quest to become "an independent and equitable political entity," thereby delaying peaceful reunification. This runs counter to the fundamental interest of the Chinese nation. The CPC has repeatedly made it clear that it will adhere to the idea of "one country, two systems" in realizing the peaceful reunification of the motherland. The Hong Kong and Macao question has been solved on the basis of this principle. We are convinced that the Taiwan question will finally be solved on the basis of this principle. If the CPC and Kuomintang were able to abandon hostilities and join hands in cooperation to save the nation when its existence in those days hung in the balance, why can they not abandon enmity and cooperate again today in order to realize the complete reunification of the motherland? We have proposed that the CPC and Kuomintang send representatives to contact one another to create the conditions for negotiations to an official end to the state of hostility between the two sides of the strait, the early realization of direct postal, air, and shipping services and two-way changes between the two sides, and the gradual realization of peaceful reunification. Representative figures of other political parties and organizations on both sides of the strait may be invited to take part in the negotiations. We hope that the Taiwan authorities will go with the tide of historical development, comply with the wishes of the Chinese people, including the compatriots in Taiwan, Hong Kong, and Macao, and overseas Chinese, make a positive and well-intentioned response to the CPC's proposal at an early date, and unite the people of the entire country in pushing forward the great cause of the reunification of the motherland.

Of late, a small number of elements on the island of Taiwan, advocating "independence for Taiwan," have become swollen with arrogance and have openly carried



out activities to split the country and the nation. However, they have met with the strong condemnation and resolute opposition of the people of all nationalities across the country, including the compatriots in Taiwan. We note that the Taiwan authorities and public figures with insight in various circles have also condemn the promoters of "Taiwan independence." "Independence for Taiwan" will lead to a blind alley because any plot to split the motherland will never succeed. We hope that the elements advocating "independence for Taiwan" do not make a mistake in assessing the situation. They should turn back if they know they have lost their way. They will be welcomed by the people if they stop their secessionist activities and work instead for better relations between the two sides of the strait and for the peaceful reunification of the motherland.

Comrades, as we commemorate the Xian Incident—an important event in the history of the Chinese nation—we cherish still more the memory of General Zhang Xueliang and General Yang Hucheng, and we admire still more their patriotic deed. Their contribution to the liberation of the Chinese nation will go down in the annals of history! We should learn from the patriotic spirit of the two generals in making heroic sacrifices in the national interest, and learn from their spirit of promoting unity by seeking a common ground while withholding differences for the sake of the national interest. Let us hold high the banner of patriotism and resolutely march toward the goal of national reunification and invigoration!

**Song Ping Urges Grass-roots Work in Guangxi Tour**  
OW1212062991 Beijing XINHUA Domestic Service  
in Chinese 1434 GMT 11 Dec 91

[By XINHUA reporter Lu Hankui (7120 3352 7608), and RENMIN RIBAO reporter Zheng Shengfeng (6774 4141 0023)]

[Text] Nanning, 11 December (XINHUA)—The masses are the foundation and the source of strength of the Communist Party. Party cadres at all levels must go deep into grass-roots units to make friend with workers, peasants, and students. They should forge profound friendship with them, and think of all practical ways to help them solve problems which they care most. This is one requirement set forth by Song Ping, member of the CPC Central Committee Political Bureau, when he inspected the Guangxi Zhuang Autonomous Region recently.

Song Ping said: When cadres at all levels make an effort to do so, the relations between the party and the people will become closer, the party will enjoy higher prestige, and the party will become more militant and have greater coherent strength.

In the company of Zhao Fulin, secretary of the Guangxi Zhuang Autonomous Region Party Committee, and Cheng Kejie, chairman of the regional government, Song Ping visited Nanning, the port district of Fangcheng, Qinzhou Prefecture, and Beihai City from 5 through 11

December to conduct investigations and study at factories, markets, ports, rural areas, and fishing villages as well as universities and a graduate school. He had cordinal meetings with grass-roots cadres to hear and understand their actual needs, and he also talked to the masses to inquire about their problems and needs as well as their production and livelihood.

A coastal autonomous region inhabited by national minorities, Guangxi has rich resources, including sub-tropical crops, mineral products, hydraulic energy, and sea products. Enjoying social stability and solidarity among people of all nationalities, Guangxi is also geographically advantageous because it has the vast southwest China at its back and southeast Asia at its front. After receiving a briefing given by the regional party committee, Song Ping praised the people of all nationalities in Guangxi for their great contributions in reinforcing the southwestern part of the country and their great achievements made in various fields since the adoption of the reform and open policy. He encouraged Guangxi to proceed from their actual needs, carry out its projects along the party's basic lines and general and specific policies, and strive to accomplish the Eighth Five-Year Plan and the 10-Year Social and Economic Development Program, giving full scope to its strengths—harmony and solidarity among people of all nationalities, rich natural resources, and the good foundation that has been built.

During his inspection in rural areas, Song Ping familiarized himself with their agricultural production and the life of the peasants. He said Guangxi should keep in mind its actual situation while implementing the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee, and make great efforts to improve its agricultural and rural work. He said: Guangxi should attach great importance to construction of irrigation facilities and deal with its water conservancy problems by building projects to pump up and storage water in a way suitable for areas along rivers and in arid mountainous areas. The region should also make great efforts to develop agricultural production in a comprehensive manner, actively develop winter production, develop breeding and processing of sea products, and promote the distribution of agricultural and sideline products so that peasants will have higher incomes and development in the rural areas can be expedited.

So far this year, Guangxi has selected more than 60,000 cadres and sent them to to conduct education in socialist ideology in 12,200 villages. The project is now going on in 6,800 villages, following its completion in more than 5,400 villages. Song Ping said: Education in socialist ideology must be firmly carried out in rural areas in accordance with the Eighth Plenary Session's resolution. Cadres assigned to educate rural people in socialist ideology should understand the party's basic lines and its rural policies and conduct in-depth investigation and study in rural areas. Whenever they discover a problem, they should understand its actual nature and handle it while carrying out ideological education; they should

also discuss the problem with local cadres and people and deal with it with their support. Conducting education in socialist ideology in rural areas is an effective way to promote closer ties between the party and the masses. We should use this way to promote the construction of new socialist countryside, to improve the conduct of organizations, and educate and temper cadres.

During the inspection, Song Ping repeatedly stressed that science and technology should give full scope to their roles in developing productive forces. With keen interest, Song Ping inspected the Guangxi Institute of Animal Husbandry and the Guangxi Agricultural College, which have successfully cross-bred waterbuffaloes and conducted bioengineering research. He highly praised their achievements which he said should be popularized. He said: The initiative of scientists and technicians should be further aroused. Effective measures should be adopted to intensify popularization of science and technology so that they can quickly become actual productivity. Greater efforts should be made in promoting agricultural production through science and technology.

The city of Beihai is Guangxi's coastal city open to the outside world; it provides a shortcut through which southwest China establishes ties with Southeast Asia. The significant progress which the city has achieved in its infrastructural construction has already demonstrated its bright future as a city which has opened to the outside world only recently. Song Ping urged authorities in the city to seize the current opportunities, emancipate their minds, work in a practical manner, continue to carry out reforms, open wider to the outside world, and speed up its construction so that it can give full play to its role as Guangxi's showcase and port city, and so that it can promote the economic development in Guangxi and southwest China.

#### **Chen Yi's Sons Excluded From Party Promotions**

HK1212013591 Hong Kong SOUTH CHINA  
MORNING POST in English 12 Dec 91 p 12

[By Willy Wo-lap Lam]

[Text] The sons of the late Marshal Chen Yi have been excluded from consideration for promotion in the run-up to the 14th party congress scheduled for late 1992.

Chinese sources said in spite of the fame and influence of their father, Mr. Chen Haosu and Mr. Chen Xiaolu had been cold-shouldered by the party's personnel and organization departments because of their sympathy for the pro-democracy movement in 1989.

This is in spite of the fact that the offspring of many party elders have been slated for elevation to the Central Committee.

The sources said Mr. Chen Haosu, 49, once considered a rising star, had recently come under additional pressure from the party's left wing.

A former vice-mayor of Beijing, Mr. Chen was after the June 4 crisis relieved of his position as vice-minister of radio, film and television for allegedly showing sympathy for liberal artists as well as protecting those of his staff who took part in street demonstrations.

The "bourgeois-liberal" television series, RIVER ELEGY, whose authors have since fled abroad, was broadcast during Mr. Chen's tenure.

In early 1990, Mr. Chen was appointed a vice-president of the Chinese People's Association for Friendship with Foreign Countries, an honorary position normally reserved for retired cadres.

A Beijing source said the Propaganda Department, which is controlled by conservative commissars, had given orders that the media not publish articles by Mr. Chen.

When a newspaper editor pointed out that Mr. Chen still held a relative senior position, the Propaganda Department indicated that Mr. Chen had made "errors".

Younger brother Mr. Chen Xiaolu is believed by analysts to be in a worse predicament.

A talented soldier, Mr. Chen rose to the rank of divisional commander and had been posted to a major Western country as military attache.

In the mid-1980s, however, Mr. Chen switched to politics and became a department head in the party Central Committee's Office for Political Structural Reform under Mr. Bao Tong.

Mr. Bao was detained soon after the June 4 crackdown.

Chinese sources said the authorities had undertaken investigations over Mr. Chen, who escaped punishment only due to the intercession of party elder Ms. Deng Yingchao and Chief of General Staff General Qi Haotian.

China analysts say it is unlikely Mr. Chen, who has largely been unemployed since June 4, will be given a position of importance.

Marshal Chen played a major role in the Liberation War of 1947-49, and acquitted himself equally well as foreign minister and Shanghai mayor after 1949.

The analysts say the shabby treatment accorded his two sons has aroused widespread indignation.

By contrast, many of the offspring of senior cadres who have professed loyalty to the post-Tiananmen Square leadership are set for promotion.

A few of Mr. Chen Haosu's former colleagues in the Beijing municipality, including vice-president of the People's Bank Mr. Chen Yuan and Beijing tourism chief Mr. Bo Xicheng, will likely get promotions.

**Authorities Decide To Execute Xinjiang Rioters***HK1212011791 Hong Kong THE STANDARD  
in English 12 Dec 91 p A-9***[By Cheung Po-ling]**

[Text] In a bid to curb the growth of separatist movements fuelled by the disintegration of the Soviet Union, China has decided to execute a group of rioters who allegedly killed eight policemen in an anti-government rebellion in Xinjiang last year.

Reliable sources said yesterday the riot, which was never confirmed by the authorities, had taken place in a rural village at the remote southern part of the Xinjiang Autonomous Region, bordering the Soviet Union.

Several hundred Uygur nationals, who took part in a demonstration in support of the revival of Turkistan, clashed with the police sent to suppress the activities.

Eight policemen and their Uygur interpreter together with an unidentified number of Uygurs were killed in the incident.

Hundreds of Uygurs were arrested after the incident including the several "ring leaders" who organised the demonstration.

However, in view of the latest development of the Soviet Union in which several Soviet republics succeeded in seeking independence from the central government, Beijing was worried that a revival of separatist movements in Tibet and Xinjiang might be in the offing if the case was handled lightly.

Sources said the Xinjiang regional government had been told recently to pass a death sentence to the key offenders who were responsible for the killings and to give harsh penalties, like life imprisonment, on the accomplices.

One source said about four to five people would face the death penalty.

The regional government had already released earlier this year a number of Uygurs who were found to be on-lookers or have no direct involvement in the incident after investigation, but sources said dozens of suspected rioters still languished in prison.

Beijing believes the executions would serve as a stern warning to the pro-independence activists.

Sources said the impoverished southern part of Xinjiang was a constant source of ethnic disturbances due to the poor economic conditions in the area, while Urumqi, the capital of Xinjiang, which was much better developed, was relatively stable when compared with other parts of the region.

In order to boost the economy of the area, the Chinese government had planned to inject more capital to explore the huge oil wells at the Tarim Basin which also were located at the southern part of Xinjiang.

Beijing had also moved tens of thousands of Han Chinese to Xinjiang and areas in Inner Mongolia along the Soviet border.

These people were largely farmers or forestry workers from the heavily populated provinces of east and central China which were seriously affected by floods last summer, diplomatic sources said.

Travellers reported thousands of these people had been installed near the border between Inner Mongolia and Mongolia, where security measures had been heightened since the summer.

**Police Discover Interprovincial Arms Syndicate***HK1112074291 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0948 GMT 10 Dec 91*

[Report: "Shenzhen Police Uncover Major Arms-Trafficking Syndicate Spanning Two Provinces, Four Cities"]

[Text] Shenzhen, 10 Dec (ZHONGGUO TONGXUN SHE)—A major arms-trafficking syndicate spanning two provinces and four cities was uncovered by the Shenzhen Police the other day, with 12 men arrested and 13 military handguns as well as 42 rounds of ammunition seized.

In late October this year, the Shenzhen Police, having learned that guns were being sold in public, carried out a series of investigations and obtained concrete evidence on the matter. On 22 November, suspect Peng was arrested while in the middle of a transaction. During his interrogation, he confessed that the guns and ammunition were provided by his accomplice Chen Yuanfang, who was shortly thereafter arrested by the police. Confronted by evidence, Chen admitted that the arms and ammunition were secretly transported from Zhanjiang to Shenzhen by accomplices Wang Shi and Yang Yaliu and entrusted to her to sell here. She also offered other leads to the police. On 23 November, the Shenzhen Police reported the matter to the Public Security Bureau of Guangdong Province and planned the arrest of the suspects. They rushed to Zhanjiang City that day and arrested suspects Wang Shi and Yang Yaliu that same evening. Several other suspects were also apprehended following several nights of interrogation. According to the suspects, Yang Yaliu, Wang Shi, Dou Zhenwen, and Shen Kai had on nine different occasions gone to Gangzhong Village in the border region of Guangxi, where they purchased 22 handguns and 65 rounds of ammunition from suspect Chen Shaorong and others and sold them to other people. At present, the Shenzhen Police have already arrested 12 suspects and confiscated 13 guns and several rounds of ammunition.



**Railroad Security Breaks Drug Trafficking Cases**  
*HK1212032691 Beijing ZHONGGUO XINWEN SHE*  
*in Chinese 1313 GMT 6 Dec 91*

[Report: "Beijing Railroad Public Security Organ Uncovers a Very Serious Case Involving Theft, Drug Trafficking, and Drug Taking"]

[Text] Beijing, 6 Dec (ZHONGGUO XINWEN SHE)—Not long ago, the Beijing Railway's Public Security Organ unearthed a particularly serious case involving theft, drug trafficking, and drug taking. Twenty-nine criminals have been arrested according to law today.

These criminals, most of whom came from Baotou, Inner Mongolia, were addicted to drugs. They committed 20 crimes on trains on the Beijing-Guangzhou, Beijing-Baotou, and Beijing-Shanghai routes and stole over 50,000 yuan. They then used the stolen money to purchase drugs for consumption.

Moreover, the crack policemen of the Chinese Ministry of Railways Public Security Bureau recently unearthed 106 cases in 37 passenger trains running on the main routes of Beijing-Chongqing and Beijing-Shanghai, 31 cases were serious. They raided a number of places where drug trafficking and addiction took place, cracked down on some criminal groups, arrested 70 criminals, and seized 41.5 grams of heroin and all sorts of stolen money and goods worth over 150,000 yuan.

**Officials Fight 'Losing War' Against Slave Trade**  
*HK1112071791 Hong Kong SOUTH CHINA*  
*MORNING POST in English 11 Dec 91 p 21*

[Text] Police found the four young women at the bottom of a well in a small village in October.

Chinese slave merchants had abducted them. After two failed attempts to sell them into slavery or prostitution, the merchants gave up. They raped them several times, bound their hands and feet with ropes and dropped them into a well—alive.

Police found the corpses in time to see the evidence of savage beatings and repeated rapes. But instead of draping the incident in the secrecy common throughout China, police made the gruesome discovery public in the local newspaper to dramatise a new and revolting trend.

If China's slavers can't sell their victims these days, they are resorting to murder to get rid of any evidence that could present problems if the police close in on their networks later on.

The discovery of the bodies in Regat Zhai village in the central Henan province is among a growing number of incidents being publicised in China's losing war against the slave trade.

Thanks to the normal wall of secrecy built by Chinese officials, no one really knows how extensive the trade has become—or the official concerns about it.

But there is evidence that Government officials are worried that China might be reverting to the dark days before Liberation, when the nation was a haven for merchants in human flesh and brothels.

Over the last few months, China's state-controlled media have provided a rare, detailed glance into the activities of several professional slavers.

According to a report by the People's Supreme Court, for example, 14,385 "abductors" were sentenced last year, double the number in 1989. Police broke up 2,630 kidnap gangs.

The reports say the gangs work like a capitalist assembly line: Procurers select their victims on trains or public streets; strongmen bundle them into vans or trucks; interstate transporters ship them out of the province; and travelling salesmen offer them to interested parties at an average of US\$300 (HK\$2,340) each.

Reflecting official concern, police in each Chinese county have been asked to set up special anti-kidnap squads. And Yu Lei, the vice minister of public security, admitted "our knowledge, our legal system and administration cannot keep up".

In Shandong province, 14,000 women and 8,200 children were reported kidnapped this year. But the *LEGAL DAILY* said police in Shandong during October apprehended 35 slavers and rescued only 78 women and children, most of them sold to peasants as cheap labour or as wives.

Some internal government reports have accused local police and officials of actually "conniving" with the kidnappers. And the demand for the slavers remains strong.

As Chinese farmers become wealthy, thanks to the limited forms of privatisation under way, slavers fill a vacuum left by the migration of rural women to city life, a shortage also resolved in pre-communist days by abductions.

Even when they try to crack down, police often face citizens who sympathise with the slaver's customers. Police recently found Burmese and Tibetan women in villages but were mobbed and sometimes stoned by irate villagers who believe that the local bachelors paid a fair price for their acquired wives and should be allowed to enjoy their purchases.

According to published reports, farmers often lock up their female acquisitions, shackle their legs or cut the tendons to stop them from running away. Children are abducted as slave labour or to provide the coveted baby for a childless couple.

In October, a Henan province police report in the *LEGAL DAILY* said that after the crackdown on inter-province trafficking, slave traders have now set up their own local brothels or auction rooms. In rural areas, kidnappers hide among the crops to pounce on country girls working in the fields.

This year the Chinese Government made available US\$3.4 million in special funds to combat slavery. It also issued new laws that allow courts to pass the death sentence or impose stiff prison terms.

#### Hainan Displays 'Zest' for Rightist Tread

HK1112063191 Hong Kong SOUTH CHINA  
MORNING POST in English 11 Dec 91 p 23

[From the "China" column; by Willy Wo-lap Lam]

[Text] Nine hundred and twenty-one long, dreary days have passed since the June 4 massacre. Finally, there are indications that slowly, perhaps irrevocably, the pendulum has begun swinging back to the right.

Bugle calls for a return to the go-go days of ousted party chief Zhao Ziyang are being sounded by cadres all along the coast.

Nowhere is the zest for ringing in the new more overwhelming than in Hainan Island, which became a full-fledged province and a "before-the-times experimental zone" in 1988 at the behest of Mr. Zhao.

Before the onset of the austerity policy in September that year, Beijing issued a so-called Document 25 which granted Hainan autonomous powers to stage quasi-capitalistic experiments.

From late 1988 until early this year, the State Council had circulated directives announcing one retrenchment measure after another. Each document bore at its end this caveat: "Hainan is not excluded (from the fiats)."

Then came the Central Working Meeting on the Economy last September, which proclaimed an end to the three-year-old "curing and restructuring period".

Cadres in Hainan automatically took it to mean that Document 25 had been reinstated.

The provincial party leadership has lost no time in laying out ambitious gameplans for building "a big Hong Kong".

Last month, three enterprising companies began selling stocks, many of which were snapped up by scalpers from Shenzhen and other coastal cities.

Moreover, after the Japanese giant Kumagai Gumi has finally agreed to take over the development of the Yangpu zone, the province is aggressively trying to lease huge tracts of land to foreign corporations, which are allowed to run these "concessions" along capitalist lines.

Things are also perking up all over Guangdong, Mr. Zhao's power base.

When Li Peng paid his first visit to Shenzhen in the early 80s, the then vice-premier said he seemed to have strayed into a foreign country.

Since then, the "peaceful evolution" of the Special Economic Zone (SEZ) has well-nigh run its course.

Last year, Shenzhen stole a march on Beijing by opening the country's second stock exchange.

After giving his grudging approval to the bourse, Mr. Li tried to teach its wheeling-dealing brokers how to run a "socialist stock exchange" when he visited the facility on October 14.

"According to the practice of capitalistic countries, the stock exchange brings with it a high degree of speculation," he said. "We must prevent speculative activities."

Less than a month afterwards, Shenzhen was hit by a stock craze during which more than 100,000 "speculators", including nouveau riche peasants and private entrepreneurs from other provinces, lined the streets to buy shares in 11 newly listed companies.

In a perceptive article in a Guangdong newspaper last week, three reporters of the New China News Agency wrote of the secret of the province's success: "totally new concepts and the crossfertilisation" of different cultures.

"Cross-fertilisation has a pejorative meaning in the Chinese tradition. Yet it is behind the rise of the Pearl River Delta," they wrote. "Three kinds of people are in abundance in the Delta: those who wear spectacles; those who speak putonghua (Mandarin); and those who speak foreign tongues."

Wearers of glasses are the intellectuals, Chairman Mao's "stinking category nine". Putonghua speakers are not State Council bureaucrats such as Li Peng but red capitalists, including bourgeois-liberal cadres turned businessmen, from the North.

Foreign language speakers refer to Western tycoons as well as Hong Kong taipans, whose Cantonese is laden with local slangs.

"Cross-fertilisation", of course, is a euphemism for "peaceful evolution", the hard-liners' term for the neo-imperialists' plot to turn China capitalist by exporting Western values.

What is most striking, however, is that former associates of Mr. Zhao are apparently endorsing the unorthodox goings-on along the coast.

National People's Congress chairman Wan Li, considered by student demonstrators in May 1989 as the White Knight who might invalidate Martial Law, has since the summer reemerged as a bold spokesman for reform of the mode of the disgraced party chief.

While touring the Shantou and Xiamen SEZs last month, Mr. Wan revived Mr. Zhao's call for "quickening and expanding reform".

China watchers have long noted that while they have professed support for the open door, central planners such as Li Peng would only go so far as to say that they would "deepen" reform, not "quicken" it.

Mr Wan's stunning statement was not lost on columnist Da Xia of Guangzhou's GUANGDONG-HONGKONG INTELLIGENCE, a liberal paper.

"People all know that on the subject of reform, words like 'deepening' it have been used in the past few years," Da wrote last week. "But not even lip service has been paid to 'expanding' or 'quicken' reform."

The party's left wing, which is represented by ideologues such as former propaganda chief Deng Lihou and Vice-Chief of the State Education Commission He Dongchang, of course, have refused to believe that only through "cross fertilization" could modernization take off.

Specially after the failed Soviet coup in August, the hard-liners have spearheaded a campaign to counter "peaceful evolution".

The ideologues have lost a round concerning their masterpiece, the much-ballyhooed "rural socialist education campaign", which has been implemented in 400,000 villages.

The ostensible aim for calling the Eighth Plenum of the Central Committee late last month was to ensure that the mass crusade be waged according to the strictest Marxist standards.

However, the word "peaceful evolution" did not even appear in the Plenum communiqué.

Last week, the provincial party committee of Jiangxi Province issued a warning against running the socialist education campaign in a leftist way.

"We must resolutely uphold the law and avoid repeating past errors such as large-scale criticism and struggle sessions (against rightists) or starting (Maoist) mass movements," the committee said. "We must concentrate on positive education and self-education, and guard against implicating and penalizing cadres and the masses."

Commissars such as Deng Lihou are, of course, precisely out to revive the Maoist agenda of "wielding the big stick" against "Westernized" cadres.

On Monday, Organisation Chief Lu Feng pointed out that only cadres with "high morals" would be elevated to top positions during the 14th Party Congress.

After spending a month in Shenzhen or Hainan, however, such officials may very well mothball their Little Red Book and start trading stocks over their mobile phones.

#### Article Urges Housing, Related Reforms

HK2611073191 Beijing RENMIN RIBAO in Chinese  
12 Nov 91 p 2

[Article by ZHONGGUO JINGJI TIZHI GAIGE reporter Wang Xiaotong (3769 2556 0681) and staff reporter Wang Qingxian (3769 3237 2009): "Inadequate To Focus Attention on Residential Housing Alone in Housing Reform"]

[Text] Some people say reforms are difficult and housing system reform is even more difficult. Everyone can cite many difficulties from their personal experiences, but one point may be overlooked in this respect, namely, housing system reform is closely connected with reforms in other fields.

In reforming the housing system, other related systems should also be reformed.

#### Housing System Reform and Wage System Reform

In 1988, Tangshan City started housing system reform by "increasing house rents and providing subsidies." House rents were raised to 1.08 yuan per square meter and employees obtained subsidies according to 24 percent of their wages. As result, 50.03 percent of families had surpluses, although the total subsidies issued were equivalent to the house rent collected. In other words, after housing system reform, half of the families in the city had an increase in income.

Many people were confused about this and asked: What kind of reform is this? The state provides subsidies for families living in government-provided flats. Is this not welfare in welfare? Housing commercialization is our goal in housing system reform. Why should subsidies be provided after raising house rents?

To explain this, employees' wage structure should be studied.

In the commodity economy, the state should include house rents in employees' wages. Then the state leases or sells flats to employees as commodities. This is an exchange of equal value. However, in the past, China regarded housing as a kind of welfare, and the housing factor only accounted for 5 percent of employees' wage structure. The existing low-rent system has resulted from this small percentage of the housing factor in employees' wages. In raising house rents, there is a need to subsidize the part of wages which employees use for house rents, turning distribution in kind into distribution in cash.

Shenzhen explains that in essence subsidies are wages. Therefore, they have changed "increasing house rents and providing subsidies" to "providing subsidies for the part of rent increased." They put it this way: In "increasing house rents and providing subsidies," increasing house rents is regarded as the cause of providing subsidies, which is a kind of welfare; in "providing subsidies for the part of rent increased," subsidies are regarded as the basis of increasing house rents. In the latter case, the state reasonably pays the part of rent in employees' wages and employees are required to pay reasonable house rents for living in government-provided flats. This is the concept of a commodity economy.

Thus, it is easy to understand why some employees have surpluses when living in government-provided flats. For example, the state provides you with 30 yuan for your



monthly house rent, and you can live in a 15-square-meter flat. However, you live in a 10-square-meter flat to save 10 yuan. This surplus results from living in a smaller floor area. This shows that housing system reform is closely connected with wage system reform. In the beginning, it is impossible to introduce housing system reform and wage system reform simultaneously. However, if the wage system remains unchanged when houses are being commercialized, housing system reform cannot proceed any further.

#### **Housing System Reform and Financial System Reform**

Housing system reform programs in different parts of the country all carry clauses on selling houses. Selling government flats is good for accumulating housing construction funds. This is being acknowledged by more and more people.

However, in introducing housing commercialization, civilians must be able to buy.

In Beijing, a 64-square-meter flat with two bedrooms and a sitting room costs about 20,000 yuan. If a person earns 200 yuan per month, husband and wife will use four years' wages to buy a flat.

How many families can afford this price if they are required to pay in full?

In 1988, banks in Yantai and Bangbu opened housing savings accounts to coordinate with housing system reform.

It is necessary to introduce low-interest-rate long-term mortgage loans in housing, with "loans provided after savings." A civilian can borrow 70 percent of the flat price from a bank when he has deposited 30 percent of the price in the bank. The longer the loan term, the higher the interest rate, but the maximum term must not exceed 15 years.

These housing savings accounts serve as housing construction funds apart from solving civilians' problems in buying flats. In Bangbu City, the housing savings account amounted to 67.01 million yuan at the end of 1990.

In this way, a bank can effectively support real estate development and serve as a bridge between the buyer and the developer. In addition, the investor can immediately recover part of the capital for redevelopment.

Now, people in cities and towns where housing system reform is being carried out have understood the importance of the coordinative role of financial system reform. They all demand the speeding up of financial system reform. People in many localities have proposed the establishment of special banks for housing loans.

Why should this kind of bank be set up? To help employees to buy flats, low-interest loans should be provided. However, providing low-interest loans will cause an "interest disparity." Who should make up this disparity? Financial allocation is difficult and does not correspond with housing commercialization. Ordinary

banks cannot undertake this responsibility because it does not conform with their nature. Therefore, housing savings banks should be set up to centralize the following funds: That part of local finances used for housing construction; enterprises' housing construction funds; depreciation funds; enterprises' income from leasing and selling apartments; and deposits made by individuals for buying houses. Through their operations, these banks will solve the disparity problem.

Discussions are still under way on how finances should support housing system reform.

#### **Housing System Reform and Investment Structural Reform**

Urban housing construction in China needs very little or no private investment at all. Neither fund raising nor capital pooling is allowed for housing construction. However, housing construction in developed countries relies on private investments whereas state investments only account for a small percentage.

Changing the situation of state (enterprise) investment being the only form of housing investment in our country does not mean allowing private investments alone but includes wide-ranging aspects. Real estate departments of the state may engage in housing construction; housing construction companies of publicly owned enterprises may engage in housing construction; publicly owned and collectively owned enterprises may engage in housing construction; construction companies under collective ownership may engage in housing construction; and funds may be raised and capital pooled for housing construction, with the approval of the department in charge.

In this way, the state's burden will be reduced, initiative can be tapped from all walks of life, and housing construction can be speeded up. What is more important, this will help separate housing investors from housing consumers and turn housing construction into a really independent business. Enterprises and individuals may buy or rent flats from investors. Thus, relations of exchange will take shape, competition will proceed between investors, an estate market will be formed, and housing commercialization will be speeded up.

Now, pooling capital for housing construction can be seen in many localities, but this is only a beginning. Apart from solving difficulties in housing construction, we should also reform the investment structure and gradually form a vigorous real estate market.

Housing system reform requires complicated engineering which cannot proceed without the coordination of other reforms.

#### **Youth League Congress Enlarged Session Held**

OW1212045191 Beijing XINHUA in English  
1601 GMT 11 Dec 91

[Text] Beijing, December 11 (XINHUA)—The enlarged session of the 12th Central Committee of the Chinese Communist Youth League (CCYL) was held here today.

Song Defu, first secretary of the Central Committee of the Youth League Congress, said at the session that the 56 million CCYL members in the country have made great contributions to the country's economic construction and to the nationwide donation campaign for flood victims in 1991.

Song said all CCYL grassroots units should strengthen ideological work among young people and build more cultural facilities for young people during the Eighth Five-Year Plan period (1991-1995).

The session called on all CCYL members to make greater efforts to raise their educational and technical levels and work hard for the realization of China's modernization.

### Military

**Paper Reveals PLA Officers' Privilege-Seeking**  
*HK1212045091 Hong Kong MING PAO in Chinese*  
8 Dec 91 p 17

["Newsletter from China" by Nan Hsun (0589 3575):  
"Privileges Are Common Within PLA"]

[Text] Recently, an internal journal of the People's Liberation Army (PLA) published a cartoon which attacks the phenomenon of unlawfully using soldiers by officers, exposes the ugliness of privilege-seeking in the PLA, reflects the surfacing of the officer-soldier conflict, and demonstrates the reformers' determination to run the army by law.

Chen Chaoliang [7115 6389 5328], a reporter with a PLA internal journal, revealed: Whenever company-level officers have families visiting them on a reunion leave in the barracks, the company commanders or political instructors will use the orderlies like amahs. For instance, the orderlies will have to do such household chores as shopping for meals, fetching water, cooking, and even washing babies' diapers. Many soldiers are extremely reluctant, but under the officers' authority, they have to stomach the humiliation.

It is learned that grass-roots officers illegally enslaving soldiers is a very common phenomenon. Four company orderlies, Jiang Hai [1203 3189], Li Jianshe [2621 1696 6080], Wang Jun [3769 0689], and Li Luming [2621 6424 2494], wrote a joint letter of appeal to the PLA General Political Department in August this year, complaining that the company cadres ordered them to "poke the fire" (cooking), "carry the food basket" (shopping for meals), "wash dishes" (tidying up the kitchen), "hold babies" (baby-sitting), and "carry basins" (washing clothes), which took up most of their time in a day. They had to find time to perform their orderlies' duties. This had affected the company's routine work and caused the orderlies to work overtime.

Our comrades-in-arms openly said: "You should not be called orderlies any more. It is more apt to call you amahs."

Jiang Hai and his comrades declared to the General Political Department: We soldiers are serving the country, not the families of a few cadres. We really do not understand why we are made to do the work of "amahs" and we are not willing to do it.

It is learned that PLA company leaders and political instructors have the authority to recruit soldiers into the party or promote them to cadres' positions. Orderlies have always enjoyed a short-cut to promotions because of their affinity to those officers. Therefore, some orderlies are quite willing to do household chores for their immediate superiors even though they are not their duties.

Since the PLA was slashed by 1 million, the size of the army has been reduced but army administration has failed to be streamlined. The problem of many officers and few soldiers in the grass-roots units is long pending and very difficult to solve. The organs at various levels borrow soldiers from the companies, which seriously affects normal military exercises. Since the beginning of this year, the General Staff Headquarters and General Political Department have been reiterating the order that various organs return the borrowed soldiers to their companies and remove personnel in excess of the authorized establishment before deadlines to guarantee the army's fighting capabilities. The relevant General Political Department sections pointed out that ordering soldiers to do household chores is a gross violation of the "Regulations of Internal Affairs" and must be stopped by the companies' party branches. However, whenever the wind of rectification has blown over, the leaders at various levels will give errands to companies on such excuses as assembled training and meetings. According to a survey of a relevant department, many companies are 20-30 percent short in manpower. That company cadres make orderlies their amahs is but a relatively conspicuous case. The officers at or above division and regiment levels using servicemen as house workers has been institutionalized. The more serious cases of officer-soldier conflict are absolutely not allowed to appear in the press.

**Military Technology Applied to Civilian Sector**  
*HK1212065591 Beijing XINHUA Hong Kong Service*  
in Chinese 0856 GMT 8 Dec 91

[Text] Beijing, 8 Dec (XINHUA)—After a military-purpose aviation technological achievement was applied to fertilizing farmland, grain output increased over 1 billion jin and peasants' incomes increased nearly 400 million yuan. This was only an example of over 10,000 items of military-purpose technology being applied to civilian production in China.

In recent years, the national defense technology and industry have been effecting a strategic change by applying more and more military-purpose technologies to national economic construction. Throughout the country, several hundred offices and stations have been set up to introduce the technologies developed by the military technological and industrial department to various civilian branches of the national economy. An



integrated network for shifting military-purpose technology to civilian use has been basically set up. At present, over 20,000 items of military-purpose technology have been applied to more than 30 civilian trades and departments, including machine-building, electronics, chemical, textile, medical equipment, medical, agricultural, and communications industries. The transfer of military-purpose technology to civilian branches of the economy has also helped settle more than 1,000 longstanding technical difficulties in various civilian industries, and this has led to the creation of more than 10 billion yuan of economic results.

The national defense science, technology, and industry department is also actively opening a technology market. It has successively held technology fairs in Hangzhou, Shenzhen, Ningbo, and Wuxi; and have signed technological cooperation agreements with Beijing, Tianjin, Zhejiang, and Ningbo. The total volume of transactions reached several billion yuan. This also promoted the process of turning scientific research achievements and technological achievements into commodities applicable in economic development.

The national defense science, technology, and industry department has also organized the transfer of technological achievements to the energy and transportation departments, which form the key link of national economic development. In these fields, hydraulic props for mines, diesel locomotives, oil drilling devices, and another more than 400 key products were developed with the support of military-purpose technology; and a number of new technologies and devices that can economize on the consumption of energy and raw materials were also developed. After the military-purpose technology was introduced by the service station in Anhui to some civilian units, some new metal detergent that can substitute gas and kerosene was developed, and the new material helped save 25,000 tons of oil and some 20 million yuan from the equipment maintenance expenses, and also reduced environmental pollution.

It is learned that the technology in military industry has been more and more widely applied to various branches of national economic construction. Some items have formed a certain production scale, and have achieved very good economic results and yielded substantial social benefit. After the technology for preventing the desynchronization of synchronous motors was adopted by more than 100 large and medium enterprises, they increased financial contributions to the state by over 100 million yuan every year. In addition, more than 300 technological products were exported to more than 50 countries and overseas regions.

#### **Shandong Commends Double-Support Model Cities**

*SK1112074391 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 10 Dec 91*

[Excerpts] On the morning of 10 December, the assembly hall of the Dongjiao Hotel of Jinan was imbued

with the warm, jubilant atmosphere of the army cherishing the people and the people supporting the army and of the unity between the army and government and between the army and the people.

Together party, government, and army leading comrades, representatives of the army and the localities with outstanding achievements in the work of supporting the army and the government and representatives of armymen and civilians who are jointly building the spiritual civilization with fruitful achievements in building double-support model cities and counties cheerfully attended the meeting to name and commend double-support model cities and counties, cosponsored by the provincial party committee and the provincial government.

Zhou Wenyuan, deputy director of the general political department of the People's Liberation Army [PLA]; and Fan Baojun, vice minister at the Ministry of Civil Affairs, extended greetings to the meeting. Present at the meeting were some leading comrades, including Jiang Chunyun, secretary of the Shandong Provincial CPC Committee; Zhao Zhihao, governor of the provincial government; Zhang Wannian, commander of the Jinan Military Region; Song Qingwei, political commissar of the region; Gao Changli and Ma Zhongcai, deputy secretaries of the provincial party committee; Liang Buting, chairman of the provincial advisory commission; Li Zhen, chairman of the Standing Committee of the provincial People's Congress; Li Zichao, chairman of the provincial committee of the Chinese People's Political Consultative Conference; Li Chunting, Standing Committee member of the provincial party committee and political commissar of the provincial military district; Zhang Ruifeng, vice governor of the provincial government; Lin Jigui, deputy commander of the Jinan Military Region and concurrently commander of the air force of the region; Qu Jining, deputy commissar of the region; Yang Hanwen, political commissar of the air force of the region; Zhao Yingfu, deputy political commissar of the North China Sea Fleet; and Yi Yuanqiu, commander of the Shandong Provincial Military District.

At the meeting, Gao Changli, deputy secretary of the provincial party committee, delivered a work report entitled "Share a Common Fate, Make Heart Linked to Heart, and Strive to Make Contributions to the Stability and Development of the PLA Units And Society." [passage omitted]

At the meeting, Comrade Yi Yuanqiu read the decision of the provincial party committee, the provincial government, and the provincial military district on naming and commending model cities, counties, and districts advanced in supporting the army and the government.

According to the decision, Weihai, Jinan, Zibo, Qingdao, and Rizhao Cities were named as double-support model cities. [passage omitted]

On behalf of the provincial party committee, the provincial government, and the Jinan Military Region, Zhao Zhihao and Qu Jining respectively made speeches at the meeting. [passage omitted]



### **Air Defense Facilities Aid Xinjiang Economy**

OW1112101591 Beijing XINHUA in English  
0833 GMT 11 Dec 91

[Text] Urumqi, December 11 (XINHUA)—The Xinjiang Uygur Autonomous Region has made full use of civil air defense facilities to serve economic development.

According to statistics, the region generates an annual output value of 30 million yuan by using these facilities to house shops, laboratories, factories, and others, with a combined floor space of 7,000 sq m.

### **Economic & Agricultural**

#### **Li Peng Signs Decree on Peasants, Rural Areas**

OW1212070391 Beijing XINHUA Domestic Service  
in Chinese 0259 GMT 12 Dec 91

[Text] Beijing, 12 December (XINHUA)—State Council Premier Li Peng on 7 December signed the State Council Decree No. 92, which promulgates and puts into effect today "Regulations on Fees Borne by Peasants and Management of Labor Affairs."

The "regulations" were drafted to lighten peasants' burdens; protect legal rights and interests of peasants; arouse the enthusiasm of peasants in production; and promote development of rural economy in a sustained, stable, and coordinated way. They contain six chapters and 41 articles, including general rules; the sum of money submitted and retained by villages, funds for overall planning in townships, standards and scopes of use of labor; the sum of money submitted and retained by villages, funds for overall planning in townships, employment, and management of labor; supervision and management of other sectors; awards and punishments; and supplementary rules.

A commentator's article, which will be released by the XINHUA NEWS AGENCY today, pointed out that the "Regulations" serve as a legal basis for efforts to reduce peasants' burdens; efforts to handle correctly the relations between the three parties of the state, collectives, and peasants; and efforts to protect legal rights and interests of peasants. Earnest implementation of the "Regulations" is of very great significance to efforts to maintain and arouse enthusiasm of peasants, develop production, enhance building of a clean government, stabilize public order, and enhance and improve party leadership over rural work.

#### **Wang Bingqian Addresses National Financial Meeting**

##### **Predicts Problems**

OW1212035891 Beijing XINHUA in English  
0318 GMT 12 Dec 91

[Text] Beijing, December 12 (XINHUA)—Due to problems arisen in the process of economic reform plus the coming high tide of debt repayment, the balancing of

next year's budget would be very difficult, said Financial Minister Wang Bingqian on December 11.

However, he added, the national economy is turning for the better and he listed guidelines for next year's budget planning.

Addressing a national financial meeting which closed here on December 11, Wang, who is also state councilor, said that the budget planning should help improve the economic performance of large and medium-sized state-run enterprises in the new year.

More input in the country's agriculture should be ensured so as to promote the overall development of the rural economy, the foundation of the national economy, Wang said.

Wang said that the major part of the agricultural input should be used for water conservancy projects such as controlling big rivers and lakes, in addition to supporting comprehensive agricultural development, establishing some key farm produce production bases, banking the research and application of advanced agro-technology.

To guarantee a basic balance between social supply and demand, Wang said, expenditure must be strictly controlled and financial deficit cut down to the minimum.

The minister urged financial departments at all levels to reduce subsidies granted to loss-making enterprises starting from 1992.

##### **Views Next Year's Policies**

OW1212053391 Beijing XINHUA Domestic Service  
in Chinese 1142 GMT 11 Dec 91

[By reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 11 December (XINHUA)—The National Financial Work Conference closed in Beijing today. Wang Bingqian, state councilor and minister of finance, said at the conference: Emphases of next year's financial work should be put on developing economy, ensuring supply, raising efficiency, furthering reform, managing money matters according to law, improving administration, and others.

Wang Bingqian said: Over years of economic improvement and rectification, China's national economy continues to develop satisfactorily, but its financial deficit expands unceasingly and difficult conditions have taken a turn for the worse. He pointed out: There are many reasons for this situation. Fundamentally speaking, it is mainly affected by the slow progress of economic restructuring, low economic returns of enterprises, and irrational distribution relations. Wang Bingqian said that we must attach great importance to these problems.

Wang Bingqian explained: Because we must go through a process to solve many deep-seated contradictions in national economy and because we are now at the peak time of paying debts, it will be still rather difficult to

achieve a balance in the state budget. Therefore, the following guidelines must be followed in making next year's state budget: 1) vigorously uphold reform and open policies, consolidate and make good use of the achievements accomplished in the economic improvement and rectification drive, and make national economy take onto a benign cycle and grow appropriately; 2) actively support the efforts to revitalize state medium and large-sized enterprises, change their internal mechanism, improve management and administration, and raise economic efficiency; 3) further increase the investment in agriculture, tighten the control of funds for supporting agriculture, and promote an overall development of rural economy; 4) strengthen the management of tax collection, persist in collecting taxes according to law, strictly limit the cases of reducing or exempting taxes, stop the drain on revenue, and ensure a steady growth of revenue; 5) maintain the austerity program, strictly control spending, and make more effective use of funds by earmarking them first to key projects to ensure their completion and then to ordinary projects; and 6) strive to reduce financial deficits to maintain a basic balance of total social demand and supply.

To achieve the targets in next year's state budget and control the budget deficit, Wang Bingqian proposed: We should strive to eliminate enterprises' losses, increase their profits, and attach importance to and support the technical progress of enterprises. Beginning next year, we should gradually reduce subsidies to enterprises running at a loss year after year. Without special approval, financial departments at all levels will not subsidize enterprises whose losses resulted from management and extra plans. We should invest more in agriculture. The state's preferential treatment to agriculture during the Seventh Five-Year Plan should be continued through the Eighth Five-Year Plan. The existing agricultural development funds and other special agricultural funds should be retained. Wang Bingqian said: Agricultural funds should mainly be used on the construction of water conservation works and on harnessing large rivers and lakes. Financial departments should support the comprehensive development of agricultural areas; build a number of key centers of commodity farm produce; vigorously support the study, popularization, and application of advanced agricultural technology; and encourage socialized services in rural areas.

Wang Bingqian stressed: We must firmly stop the practice of casually reducing and exempting sources of state revenue. All localities, departments, and units should not violate the state's unified policies, laws, and regulations; go beyond their terms of reference; and set a precedent for reducing revenue and increasing expenditure by reducing and exempting taxes and profits turned over to the state, and by raising the standards of wage, bonus, subsidy, and welfare. One phenomenon these days is to reduce and exempt both income taxes and exchange taxes [liu zhuan shui 3177 6567 4451] and pay both of them on a contractual basis. This is a very dangerous new development. As the state's principal

revenue, exchange taxes are borne by consumers. Because exchange tax is not governed by contract regulations, it must be retained and not be casually reduced or exempted, much less be paid on a contractual basis. Exchange taxes should not be used as a form of debt repayment, except when existing state policies state this.

Wang Bingqian said: We should conscientiously strengthen the administration of revenue collection. We should not only continue to strictly collect money from state enterprises, but also should be even stricter in collecting taxes from Chinese-foreign joint ventures, cooperative enterprises, exclusively foreign-owned enterprises, village and town enterprises, collective enterprises, private-owned enterprises, self-employed people and in collecting regulatory taxes from personal income. Meanwhile, we should also firmly prohibit unscrupulous collection and casual embezzlement of funds. We should be determined to streamline and incorporate some temporal organizations. Organizations should not be established to fit out other departments, and the increasing swell of personnel in organizations, undertakings, and units must be checked resolutely.

The National Financial Work Conference was held in Beijing on 3 December. Deputies to the conference heard Premier of the State Council Li Peng's keynote speech during the meeting.

**Chen Yun Urges Restraint in Economic Construction**  
*HK1112042991 Hong Kong CHING PAO in Chinese*  
*No 173, 5 Dec 91 pp 31-32*

[Article by Chen Chieh-hung (7115 3381 1738): "Chen Yun Warns Against Hotheadedness in Economic Construction"—first paragraph is CHING PAO introduction]

[Text] For the last few months, Central Advisory Commission Chairman Chen Yun has made speeches on several occasions on the country's economic construction. He pointed out faults in CPC economic policy-making over the last 40 years and warned CPC leaders against hotheadedness in economic construction.

After the conclusion of a CPC Central Committee work meeting at the end of September, Chen Yun wrote a letter to the Political Bureau pointing out that mistakes apt to occur in socialist construction are first, a bias in direction, and second, rashness in planning.

#### Warning Against an Excessive Construction Rate

In mid-November, Chen Yun had talks with Premier Li Peng, Vice Premier Zou Jiahua, Zhu Rongji, State Councilors Wang Bingqian and Song Jian, and Chen Xitong. Chen Yun said: I am most worried about you becoming hotheaded, so hotheaded even cold water cannot cool you down. The economic development rate and quality find expression in practicality. Some people are strongly inclined to say that "planned economy is outdated and no longer welcomed." Is it outdated? We should sum up our experience. A change in the economic structure

should conform with the national conditions and undergo a development process of experiment, summation, experiment again, and summation again. We should guard against such rashness as that in Yugoslavia, Poland, and other East European economic reforms. Over the last 40 years, we have set targets and worked out plans in violation of scientific spirit. As a result, we have not been able to fulfill them. This is a waste of resources and time. In the past we were slow in construction, encountered many setbacks, and suffered losses. This is one aspect. Another aspect is that we constantly waged political movements, thus seriously hampering and undermining the implementation of state plans and dampening the initiative of people inside and outside the party.

#### **The Ratio Between Planned Economy and Market Regulation Is 8:2**

Chen Yun said: The period from initial to intermediate socialism is a period from undeveloped to developed socialism. There is a need to abide by the planned economy, while making market regulation subsidiary so as to lay a firm and solid economic foundation for the country. The ratio between the planned economy and market regulation should be approximately 8:2. If everything is done well, this ratio can be changed to 7:3 for an experimental period. China's industry is widely scattered and its modern manufacturing industries are mainly located in big cities. If the market economy is expanded too rapidly with excess introduction of the contract system and export-oriented economy, a large number of factories, mines, and enterprises will either go bankrupt or stop production and millions of workers left jobless. Without good government arrangements or settlements, this could result in a chain reaction, many people will take to the streets, and hostile elements in the country and abroad will take this opportunity to stir up trouble.

Chen Yun added: Leading comrades and comrades in charge of economic work should not become hotheaded. As I see it, capitalist enterprises also have planning; their government departments also have overall plans; their presidents, prime ministers, and other ministers spend most of their time on economic research, analyses, and the formulation of policies.

#### **Opposing the Practice of Rushing Headlong Into Mass Action in Opening Development Zones**

Chen Yun continued: Shanghai's Pudong is being built into a development zone and other provinces and regions have also proposed the construction of "development zones," "bonded areas," and "cooperative zones." This should not be done indiscriminately. Shanghai is different. It has the necessary conditions and is influential; foreign countries are also interested in it. If other provinces follow indiscriminately, the country could be thrown into confusion. Do not pin too much hope on foreign capitalists because they also estimate it is worth doing before making investments. As I have stressed time and again, scientific spirit should be upheld

in reform and construction. A down-to-earth way of doing things is necessary. In this way, the results will be remarkable. In addition, we should promptly sum up our experience and analyze and solve problems instead of evading them.

#### **Deng and Yang Suggest That Chen Yun Inspect Special Economic Zones**

Top leaders in Beijing have said that Deng Xiaoping and Yang Shangkun suggested on several occasions that Chen Yun inspect special economic zones this autumn or winter. Deng Xiaoping also expressed his willingness to accompany Chen Yun to the south. Is Chen Yun coming to the south?

#### **CPPCC Discusses Rural Individual Contracts Policy** *OW1112181391 Beijing XINHUA in English* 1432 GMT 11 Dec 91

[Text] Beijing, December 11 (XINHUA)—The Chinese Government will not modify its 10-year-old rural economic policy of individual contracts, despite calls for a gradual promotion of collective development, a national political conference was told yesterday.

In a speech at yesterday's 17th Standing Committee Session of the Chinese People's Consultative Conference (CPPCC), Hui Liangyu, a leading policy researcher of the Chinese Communist Party, reaffirmed the continuity of the party's rural policy.

"The just-concluded eighth party plenum on agriculture stressed the continuity of household contract responsibility system and a reform focusing on developing the collectively-managed rural social service system," said Hui, deputy director of the policy research office of the CPC Central Committee.

The rural social service system is building up rural collectives for materials supply, technical services and transport and sales, which frees farmers to concentrate on working the land.

Some have suggested that the reform be taken a step further to allow collective purchase of machinery and farming of land for greater efficiency. But Hui rejected that idea because it would hurt the agricultural business and "eat up farmers' property."

He said even the reform of social service collectivization should be pursued "with caution and flexibility" and advocated democratic management of collective revenues and strict supervision and audition of collective income and expenditure.

"Farmers need the social service system and collective economy, but fear reduction of their own cake—their profits," he said.

The central government has listed agriculture and rejuvenation of state-owned firms as two grave topics to tackle in the years to come. Of the two, agriculture is the



foremost because 60 percent of industry's market is in the rural areas, and an annual grain output of 500 million tons will be needed to feed the country's 1.3 billion population by the year 2000. China's grain production last year a record, was 435 million tons.

In his report to CPPCC, China's highest consultative body, Hui said that the enormous problems faced by agriculture makes the reforms imperative.

Insufficient farming investment and a vulnerable infrastructure are hurting a stable grain growth. By 1990, 25 percent of the reservoirs were shrinking because of erosion and one-third are liable to break. The Yangtze and Huang He lack key water control projects, and the irrigated arable land remains at the 1979 level of 48 million hectares.

#### **Li Tieying Awards Water Improvement Units**

*OW0612225491 Beijing XINHUA Domestic Service in Chinese 1423 GMT 6 Dec 91*

[Excerpt] Beijing, 6 December (XINHUA)—A number of advanced units and individuals who have made outstanding achievements in improving water in rural areas received commendation from the All-China Patriotic Public Health Campaign Committee today. Li Tieying, Liao Hansheng and others issued plaques and letters of commendation to those units and individuals.

At today's closing ceremony of the second national meeting on improving water in rural areas, Qu Geping, vice chairman of the All-China Patriotic Public Health Campaign Committee and director of the State Environmental Protection Bureau, read a decision on commending those units and individuals.

#### **Wang Zhen Writes Inscription for Farm Exhibition**

*OW1012050391 Shanghai People's Radio Network in Mandarin 1000 GMT 9 Dec 91*

[From the "News and Weather" program]

[Excerpt] The Ninth National Exhibition of Products of Reclamation Farms and the (?Shanghai) 1991 Sales Exhibition of Good-Quality Agricultural and Sideline Products, which will be jointly held by the Ministry of Agriculture and the Shanghai [words indistinct], will open on 14 December at the Shanghai Exhibition Center.

At a news briefing this afternoon, (Wu Zhengkang), deputy secretary general of the Shanghai Municipal Government, said the national exhibition will be the first of its kind held in Shanghai.

Vice President Wang Zhen (?personally) wrote an inscription for the exhibition. The inscription reads [passage indistinct]. [passage describing the exhibition and products to be displayed omitted]

#### **Peng Zhen Inscribes Name for Hebei Power Plant**

*OW1112134491 Beijing XINHUA Domestic Service in Chinese 0909 GMT 11 Dec 91*

["Construction of the Xibaipo Electric Power Plant Project Commences (By Reporter Yu Shaoliang (0060 4801 5328) and Correspondent Wang Linfeng (3769 2651 1496))"—XINHUA headline]

[Text] Shijiazhuang, 11 December (XINHUA)—Construction of the Xibaipo Electric Power Plant project, which is located in the old revolutionary area of Pingshan County, Hebei, formally commenced yesterday. Comrade Peng Zhen inscribed the name of the electric power plant.

The Xibaipo Electric Power Plant is a key project designed with a capacity of 2.4 million kilowatts [kw]. Both the state and Hebei Province pool funds for its construction, which is scheduled for completion in three phases. The first phase project has a total investment amount of 980 million yuan and will install two generating units of 300,000 kw each. Construction of the Generating Unit No. 1 is scheduled for completion at the end of 1993 when it will be linked to the power grid and commence generating electric power. After completion of the whole electric power plant project, it will become the largest electric power plant of the power grid in southern Hebei Province.

#### **Trademark Registrations Show 'Huge Increase'**

*HK1212023191 Beijing CHINA DAILY in English 12 Dec 91 p 2*

[By Yuan Zhou: "Trademarks See Huge Increase"]

[Text] About 310,000 registered trademarks, including 50,000 from overseas, are expected to be in force in China by the end of this year—a sign of increased market activity in the country.

The figure will represent a tenfold rise over that in 1979 when China restored the trademark registration system.

According to officials from the State Administration of Industry and Commerce (Saic), the number of applications for trademark registration in China will exceed 60,000 this year, about 10,000 more than the annual average in recent years.

The foreign owners of registered trademarks are from 62 foreign countries and regions.

Trade experts say the rise in the numbers of registrations and applications are a result of their confidence in the Chinese protection of trademarks.

Saic officials say that China now has 6,000 trademark officers who have dealt with more than 100,000 trademark violation cases. The fake trademarks are used mostly on cigarettes, liquor, bicycles, watches and garments.

Saich officials said that "stern action" had been taken to punish those people who illegally used famous international trademarks on consumer goods.

China in 1989 joined the Madrid Agreement Concerning the International Registration of Marks.

Saich officials said that at present, domestic enterprises are more aware of the importance of trademarks, associating their protection with the protection of their technological advantages.

In another related development, the Patent Office of China has announced that applications for patent rights in the country will reach a record 47,000 this year, with 20,000 to be approved.

By the end of September, China had received a total of 202,379 applications for patent rights since the country's Patent Law went into effect in 1985, according to Gao Lulin, general director of the office.

Of the figure, there were 33,330 from overseas, which accounted for 16.5 per cent of the total, Gao said last week in Beijing.

The applications for patent rights in China have increased at an annual rate of 24 per cent in recent years.

Gao said that China would try to shorten "the transitional period" so as to give protection for medical and chemical products "as soon as possible."

#### Managers Meeting Views Overseas Ties, Trade

OW1012145091 Beijing XINHUA in English  
1245 GMT 10 Dec 91

[Text] Shanghai, December 10 (XINHUA)—China has expanded its overseas projects and labor service in South Asia, Africa, the Soviet Union, Hong Kong, Macao and other regions in the past few years, according to the Ministry of Foreign Economic Relations and Trade (MOFERT).

China's business with South Asian countries has been on the rise in recent years, said an official from the department of Foreign Economic Cooperation of MOFERT. Many experts are convinced that the pace of development will be even greater with the resumption of diplomatic relations between China and Indonesia, the settlement of the Cambodian issue and the normalization of Sino-Vietnamese relations.

At present, several Chinese companies are discussing some large-scale projects with their Indonesian counterparts. A company in southwest China's Guangxi Zhuang Autonomous Region has signed and carried out a number of contracts for projects with Vietnam.

China has signed contracts valued at over 310 million U.S. dollars with South African countries from 1988 to June of this year.

Such business between China and the Soviet Union has extended into the European part of the country and into the three former republics along the Baltic sea.

By the end of October, China had signed 741 contracts with the Soviet Union. The total value of the contracts amounted to over 1.7 billion U.S. dollars. In addition, China has opened 72 enterprises in this country.

New achievements have also been accomplished in labor service between China's mainland and Hong Kong this year, which began last year. Contracts valued at 200 million to 300 million U.S. dollars are expected to be signed by the end of this year. Labor services range from building to production, catering, electronics, clothing and other trades.

A meeting of general managers of 123 corporations engaging in international economic and technological cooperation is being held here, with an aim to further promote labor trade.

#### Further on Meeting

OW1012155691 Beijing XINHUA in English  
1412 GMT 10 Dec 91

[Text] Shanghai, December 10 (XINHUA)—The general managers of Chinese companies with international operations gathered here today to discuss how to combine business activities in foreign countries with foreign trade.

China now has some 123 enterprises operating in 138 countries and regions, either performing construction contracts or engaging in other economic cooperation activities. The 900 subsidiaries established by the enterprises have signed more than 20,000 contracts valued at over 17 billion U.S. dollars and have thus far earned over 11 billion U.S. dollars. The contracts also involved equipment and materials exports valued at over one billion U.S. dollars.

Combining foreign business activities with trade is an irreversible trend, according to an official from the Ministry of Foreign Economic Relations and Trade (MOFERT). The official said that MOFERT foreign enterprises.

They will also discuss past experiences related to contract projects, labor cooperation and transnational management.

#### Four Executed for Foreign-Funded Firm Thefts

HK1112150091 Beijing ZHONGGUO XINWEN SHE  
in English 1412 GMT 11 Dec 91

[Text] Shantou, December 11 (CNS)—Four criminals were executed in accordance with the law in Huilai county in Shantou City on December 7 after being found guilty of numerous thefts of property from three-type [as received] foreign-funded enterprises.

The four were charged with a total of twenty-four cases of theft in Shenzhen, Bao'an, Huiyang and Lufeng which they committed with ten other thieves. Apart from stealing property belonging to foreign-funded enterprises, they also

stole personal property, the total value of their thefts being put at more than RMB[renminbi] 455,700.

All four had their death sentences handed down by the Shantou Intermediate People's Court with the approval of the Guangdong Provincial Higher People's Court. The ten accomplices received sentences of two to fifteen years imprisonment by the Shantou Intermediate People's Court.

#### **Ding Guangen Attends CITIC New Year's Fete**

*OW1112042491 Beijing Central People's Radio  
Network in Mandarin 2230 GMT 10 Dec 91*

[From the "News and Press Review" program]

[Text] Last night the China International Trust and Investment Corporation [CITIC] held a grand reception to usher in the new year at a banquet room in the Great Hall of the People. Invited to the reception were over 600 people, including Ding Guangen, Peng Chong, Gu Mu, Wang Guangying, Luo Gan, responsible persons from relevant authorities, foreign diplomatic envoys, and representatives of foreign agencies in China.

Rong Yiren, vice chairman of the National People's Congress Standing Committee and chairman of the CITIC board of directors, delivered a speech at the reception.

#### **CITIC Head Views Progress**

*OW1112095191 Beijing XINHUA Domestic Service  
in Chinese 0520 GMT 11 Dec 91*

[By reporter Wu Jincai (0702 6930 2088): "Rong Yiren Discusses the Progress China International Trust and Investment Corporation Has Made in Promoting Business Operations"]

[Text] Beijing, 11 December (XINHUA)—The China International Trust and Investment Corporation [CITIC] hosted a New Year's reception in Beijing on the evening of 10 December. Chairman of the CITIC Board of Directors Rong Yiren said: The CITIC is trying to improve management, increase economic returns, and promote appropriate development during the period of the "Eighth Five-Year Plan." It will also strive to expand business operations to a greater extent under the conditions of basically perfecting the mechanism of internal operation and management during the period of the "Ninth Five-Year Plan."

Enumerating the substantive economic achievements scored by the CITIC this year, Rong Yiren said: The following are a few comparatively significant events that stand out from the others. The CITIC successively raised funds several times from the international financial market, issued floating-rate bonds and debentures in Japan for the first time, used listed companies to raise funds and jointly purchased a portion of the shares of the Heng Chang (1854 2490) Company together with other companies in Hong Kong, fulfilled the state-awarded export plan contract ahead of schedule in its foreign

trade operations, and successfully sponsored a trade fair of import and export commodities in Chicago, the United States.

Meanwhile, Rong Yiren said: In 1992, the CITIC will prudently, cautiously, and effectively introduce and utilize foreign funds, increase investment in key projects, actively and safely expand overseas investment, and make vigorous efforts to promote imports, exports, trade, and development of other service industries.

#### **Hu Ping To Head Group at Shanghai Talks**

*OW1112051591 Shanghai Voice of Pujiang  
in Mandarin to Taiwan 1000 GMT 10 Dec 91*

[By station reporter Zhao Li; from the "News" program]

[Text] Beginning next year, the PRC's Ministry of Commerce will conduct large-scale and extensive cooperation with the Shanghai Municipal Government in a bid to accelerate efforts to turn Shanghai into the mainland's commercial hub. Minister of Commerce Hu Ping personally led a delegation to Shanghai today to hold talks with relevant specialized companies in Shanghai on cooperative efforts in constructing projects. The parties signed memorandums of cooperation on developing commercial channels and building corresponding facilities.

Our reporter learned that the agreement on cooperative projects with Shanghai, which resulted from the trip taken by the Ministry of Commerce delegation, is expected to involve construction funds totaling 300 million yuan renminbi. The agreement includes construction of a grain exchange center in Pudong that caters to the needs of the country, construction of a cultural building covering an area of 12,000 square meters at Fuzhou Road, opening of Shanghai's largest market for household electronics gadgets at Nanjing Road, and construction of a building providing services to foreign vessels. The Ministry of Commerce also reached an agreement with the Shanghai Municipal Government to cosponsor an annual Shanghai Industrial and Commercial Trade fair on Commodities beginning next year. The scale of the fair is expected to reach, or even surpass, that of the trade fair now hosted annually in Guangdong.

#### **Pearl River Delta High-Tech Industrial Belt Set**

*OW1112044491 Beijing XINHUA in English  
0044 GMT 11 Dec 91*

[Text] Guangzhou, December 10 (XINHUA)—The Guangdong Provincial Government has decided to set up a high-tech industrial belt in the Pearl River Delta to take the lead in boosting the economy.

The belt covers the areas of Shenzhen, Dongguan, Guangzhou, Foshan, Jiangmen, Zhongshan, Zhuhai and Huizhou Cities and Baoan, Panyu, Nanhai, Shunde, Xinhui and Huiyang Counties.



It will concentrate on joint development of the techniques of electronic information, modern biology, new materials, refined chemicals, machinery and electronics with sophisticated techniques of light and textile industries in the main.

While continuing 'sponsoring Torch Plan' projects, the belt will set up a number of sophisticated enterprises to study and develop sophisticated products.

#### Official Discloses Enterprise Wage Reform Plan

HK0912072391 Hong Kong TA KUNG PAO  
in Chinese 2 Dec 91 p 3

["Special Dispatch" from Beijing: "Officer of Labor Ministry Reveals Plans For Enterprise Wage Reform"]

[Text] Beijing, 1 Dec (TA KUNG PAO)—A Labor Ministry official has disclosed that the government will no longer be involved in enterprise promotions and wage increases in the future as this practice is tantamount to everybody eating from the big pot and is disadvantageous to stimulating the enthusiasm of staff and workers.

Because of a lack of a normal mechanism for wage increase for a long time in the past, the rights of enterprises to determine wage distribution were not genuinely ensured. As a result, wage increases were totally determined by the state. Wages either remained unchanged for years or affected the whole country with everyone having a share. This is tantamount to egalitarianism regardless of enterprise efficiency and the individual contributions of workers. As labor remuneration is divorced from contribution and technological titles from wage grades, the principle of distribution according to work is not embodied.

Regarding future wage distribution by enterprises, the state will apply the method of exercising control over total enterprise payrolls and enterprises will independently determine their distribution in light of the state's macrocontrol and regulation and classified management. Total enterprise payrolls will be linked to economic efficiency, and wage increases will be based on enterprise efficiency.

According to statistics, more than 95,000 enterprises across the country have applied the method of linking wages to efficiency. These enterprises have a total of 38.75 million staff members, accounting for 53 percent of total staff members in the public sector. Some township enterprises have also tried out this method.

Practice has proven that economic results of enterprises which have wages linked to efficiency are better than other enterprises. The Labor Ministry has requested all enterprises (except ordnance enterprises and special trades) to apply the method of linking wages to efficiency during the Eighth Five-Year Plan.

#### Securities Officials 'Optimistic' About Market

HK0812040991 Beijing CHINA DAILY in English  
7 Dec 91 p 2

[By staff reporter Wang Xiangwei: "Securities Market Builds Up to 92"]

[Text] China's securities markets will take on the momentum of a charging bull next year with the government determined to issue larger trunks of treasury bonds to replenish its coffers and grapple with the peak period of debt repayment.

Also next year, a company in Shanghai will issue a b-class stock exclusively to foreign investors, and the stock exchanges in Shanghai and Shenzhen are scheduled to issue more than 10 varieties of stocks to the Chinese investors.

The broad-smiling securities officials made these optimistic remarks on Thursday [5 December] on the first anniversary of the Securities Trading Automated Quotations System (Staq), the embryo form of the over-the-counter markets in the West.

"With the trading volume at 200 million yuan (\$37.38 million) a month, the StaQ system is on its way to becoming the most liquid and the largest government bond market in China," said Zhang Xiaobin, secretary general of the Stock Exchange Executive Council (Seec) which has designed, developed, and operated the system.

Zhang Zhifang, Seec's managing director, said that 1992 would see a sizable increase both in volume and frequency of the issuance of the treasury bonds.

He declined to give the figures but added that next year the central government would have to pay 40 billion yuan (\$7.5 billion) in principal and interest for the maturity of treasury bonds.

Other securities officials said that this means the central government will have to issue more bonds.

CHINA DAILY learned that this year the Ministry of Finance has issued over 15 billion yuan (\$2.8 billion) worth of treasury bonds, far higher than the annual target of 10 billion yuan (\$1.9 billion).

Officials said the central government seems to have agreed on the role of the securities as an important and viable source for funds and investment.

Gao Shangquan, Vice-Chairman of the State Commission for Restructuring the Economy, said the Chinese people's purchasing power has amounted to 912.3 billion yuan (\$170.52 billion) including deposits and ready cash.

Officials said the brisk trading through the StaQ system and stock exchanges in Shanghai and Shenzhen also signalled an increasing interest in the securities market by the Chinese people.

The Staq system was launched last December, the so-called "Golden December" when China's first standardized stock exchanges rang bells in Shanghai and Shenzhen.

The system, which executes trade along the telecommunication lines, has been providing its 40-odd member firms with services such as price quotations, computer-aided trading, centralized clearance and settlement.

#### **Commerce, Industry Body Urges Crackdown on Fakes**

*OW1012192791 Beijing XINHUA Domestic Service  
in Chinese 1303 GMT 10 Dec 91*

[By reporter Fu Gang (0265 0474)]

[Text] Gan Guoping, deputy director of the State Administration for Industry and Commerce, announced today that this winter and next spring, industrial and commercial departments will launch a campaign to crack down on the manufacture and sale of low-quality, fake products, and will strictly investigate and punish illegal producers and dealers.

He pointed out that at present the illegal manufacture and sale of low-quality, fake products is very rampant in some areas. Such products include brand-name cigarettes, liquor, farm insecticides, chemical fertilizers, low-voltage electrical appliances, garments, television sets, electric fans, small food items, and gourmet powder. Take the Jianlibao beverage for example. More than 70 production units nationwide are producing fake Jianlibao beverages. Some enterprises even arbitrarily recycle Jianlibao cans and fill them with low-quality beverage in order to pass them off as Jianlibao on the market.

Gan Guoping stressed that these illegal activities not only seriously infringe on the interests of consumers and threaten the people's lives, but also disrupt the socialist economic order and hinder the development of social productive forces. Therefore, administrative organs for industry and commerce in all areas must launch a vigorous and extensive campaign to crack down on the illegal manufacture and sale of low-quality, fake commodities.

#### **Private Firms To Exceed 100,000 by Year's End**

*HK1112134891 Hong Kong ZHONGGUO TONGXUN  
SHE in English 1325 GMT 11 Dec 91*

[Text] Guangzhou, December 11 (HKCNA)—According to statistics released by the Individual and Private Economy Division under the Administrative Bureau of Industry and Commerce, the number of private enterprises have increased by more than 1,700 in the province, exceeding the total increased number of enterprises in twelve other provinces and cities. It was disclosed by the authorities that there are totally more than 98,800 private enterprises in the country, showing an increase of 6.6 percent compared with the same period last year and it is expected that the total number of private enterprises in the country will be over 100,000 by the end of this year.

The information released by the Individual and Private Economy Department of the State Administration for Industry and Commerce shows that the development of China's private enterprises is characterized by four new trends.

First, private enterprises have grown in scale. There are over 600 households with registered capital of more than RMB 1 million, an increase of more than 100 households over last year.

Second, the continuous growth of private technological enterprises has resulted in an increasing number of scientific staff inveted in private enterprises, accounting for 11.6 percent of the total number of private investors.

Third, export-oriented enterprises have grown to more than 1,200, with estimated annual foreign exchange earnings of more than RMB 500 million.

Fourth, with many enterprises developing their production, their tax payment is increasing by over 50 percent annually.

#### **Scholar Chides Central China's Economic Neglect**

*HK1212040291 Hong Kong MING PAO in Chinese  
7 Dec 91 p 6*

["Special Dispatch": "Scholar Criticizes Central Authorities for Neglecting Development of Central China"]

[Text] A scholar from Wuhan University recently criticized the top central authorities for ignoring central China in its implementation of overall economic planning. He suggested that successful foreign experience should be copied by setting up a "Central China free trade zone" to step up economic construction in the hinterlands of central China.

Speaking in an interview with reporters recently, Xia Guozheng [1115 0948 2398], vice president of the School of Management at the Wuhan University, dismissed the "theory of step-by-step advances" which is popular in the country at the moment. He maintained that the economic decline in central China over the past decade may be attributed to man-made as well as policy reasons. He added that in other countries, economic development of hinterlands is often more rapid and more substantial than that of coastal regions.

According to relevant materials, the gap between the economy of central China and that of coastal regions has widened in the past decade since the implementation of the state's economic policy of "regional preferences." This is attested to by the continuing fall in industrial production, protracted sluggishness of the commodity market, and widespread decline in economic performance of enterprises. Take for example the employee's income in Wuhan, the largest city in central China, over the past 10 years: The average income of employees in Wuhan City was already below the national average in 1985 (1,148 yuan renmibi) and ranked ninth among the 12 big cities made up of Beijing, Tianjin, Shanghai,

Shenyang, Guangzhou, Chongqing, Xian, Qingdao, Dalian, Harbin, and Nanjing. In 1989, it went down further to 11th place.

The materials also indicated that as it entered the 1980s, central China continued to drop further behind in the overall economic pattern of the country. Among the 25 cities around the country which boasted of total output value exceeding 10 billion yuan renmibi in 1989, 12 were from east China, four from northeast China, three from north China, three from south China, two from southwest China, and only the city of Wuhan from central China. In fact, Wuhan's total output value was lower than that of Suzhou. Other major cities in central China like Changsha, Nanchang, and Zhengzhou all failed to make the list, making a mockery of the old saying: "Bumper harvests from the two Hus [Hunan and Hubei] and the two Guangs [Guangdong and Guangxi] are enough to feed the world."

Xia Guozheng is extremely worried about the declining conditions in central China. He maintained that the "minor readjustments" effected by the authorities "are not enough to give a push to this stagnant ship, central China." He pointed out: Central China will require "major readjustments" as well as "top-to-bottom emancipation of the mind, resolute determination, and genuine surgery" if it is to be revived. In the current situation, the creation of a large-scale comprehensive special economic zone constitutes one of the best options for central China.

He suggested that the central China free trade zone should enjoy the functions of a free port, export processing zone, and a scientific industrial zone with a scale greater than that designated to an ordinary economic and technological development zone; administration should rest with the State Council but with personnel appointed by the different

provinces and cities of central China taking part in the management. As for capital funds, he held that in the early stages of its construction, the provinces and cities of central China should be exempted from turning over profits and taxes; instead, the money should be converted into construction fund to be repaid by installments by the central China free trade zone after a period of 20 years. At the same time, it may borrow money from the World Bank or issue debt bonds to other countries of the world. It may also raise capital by land sale or transfer of the partial stocks options of an enterprise.

#### Shanghai Sees First Large-Scale Textile Group

OW1212104591 Beijing XINHUA in English  
1023 GMT 12 Dec 91

[Text] Shanghai, December 12 (XINHUA)—The Shanghai Kaituo Textile-Garment Company—the first large-scale textile enterprise group in the suburb of Shanghai—declared its birth here today.

Formed by 18 enterprises, the company combines industry with trade, managing businesses in textiles, garments, export and domestic sales, and has its own export commodities processing base.

The company mainly produces and manages shirts, fashion dresses, t-shirt series, jacket series, jeans series, wind coat series and many kinds of cloth.

Its products have been sold to the United States, Japan, Australia, the Soviet Union, Hong Kong and some other countries and regions in addition to domestic markets.

The company has more than 10,000 workers, with 70 million yuan in fixed assets, 58 production lines, and an annual output value of 200 million yuan.



## East Region

### Mao Zhiyong Speaks on Agriculture, Rural Work

HK1212070891 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GMT 9 Dec 91

[Excerpts] The Ninth Jiangxi Provincial CPC Committee held its third enlarged plenary session 6-9 December. The meeting heard the spirit of the Eighth Plenary Session of the 13th CPC Central Committee and set the tasks for agricultural production and rural work province-wide. [passage omitted]

On the morning of 6 December, the first meeting of the third enlarged plenary session of the ninth provincial party committee opened.

Comrade Mao Zhiyong presided over the meeting. Comrades Wu Guanzheng, Liu Fangren, and Zhu Zhihong respectively relayed the spirit of the Eighth Plenary Session of the 13th CPC Central Committee.

Group discussions followed in the afternoon and on the days thereafter. [passage omitted]

Yesterday morning, the second meeting of the third enlarged plenary session of the ninth provincial party committee was called. Comrade Wu Guanzheng chaired the meeting. Comrade Mao Zhiyong, at the request of the provincial party committee Standing Committee, made a speech entitled "Seize the Opportunity and Press Ahead to Develop Agricultural Production and Improve Rural Work in Compliance with Our Strategy of Enabling the People to Lead a Relatively Comfortable Life."

His speech touched on six topics: 1) A historical profound change has taken place in rural areas throughout Jiangxi during rural reforms; 2) It is necessary to emancipate the mind and broaden our horizons to enable the people to lead a relatively comfortable life; 3) Keep stable and perfect the party's basic policies for rural areas and deepen rural reforms; 4) Step up our efforts to develop the rural economy in a comprehensive way; 5) Conduct intensive socialist ideological education, strengthen grass-roots units organizationally, and promote ideological and cultural progress; 6) Truly strengthen party leadership of rural work and further protect and mobilize peasants' enthusiasm for production.

The meeting participants devoted a brisk discussion to his speech and unanimously agreed with what he had said.

The meeting fully reaffirmed the enormous achievements made in rural reforms and development province-wide since the Third Plenary Session of the 11th CPC Central Committee. Over the last 13 years, the broad masses of peasants in Jiangxi, under the party leadership, have given play to their precious enterprising spirit. A series of major rural reforms have made unprecedented progress, greatly arousing the peasants' enthusiasm. This led to the historical profound change in the rural economy.

While reaffirming the above achievements, the meeting noted that the social and economic developments in rural areas remain uneven and that there are still many restricting factors. We should have a comprehensive understanding of the rural situation, being aware of major changes having taken place in rural areas while not losing sight of outstanding problems. We should see the great potential for continued agricultural development as well as realize there are arduous tasks ahead. We must continue conscientiously to carry out the party's basic line and must, in line with the requirements set by the Eighth Plenary Session of the 13th CPC Central Committee, keep stable the party's policies for rural areas, deepen rural reforms, make great efforts to develop agricultural production, and make further advance on the already very good situation in rural areas.

The meeting pointed out: The general objective for agricultural development and rural work for 1990's is to raise the living standards of the people from simply having enough food and clothing to leading a relatively comfortable life after having the rural economy comprehensively expanded. To attain this goal, we must strive to make marked progress in three fields: A greater increase in the overall production capacity and efficiency of our agriculture; greater progress in rural reforms; and greater essential change in the countryside.

The 1990's are a crucial period for the development of agriculture and rural work in Jiangxi. We must have a broad vision and seize the opportunity to open up new prospects. This requires that we should not rest content with our success in supplying enough food and clothing for our people, in providing guidance for agricultural production and rural work. Instead, we should further free ourselves from old ideas and broaden our horizons to open up new prospects. It is essential to focus on developing a commodity economy in rural areas and make high yield, high quality, and high efficiency our basic requirements. In developing various trades at different levels, we must explore new possibilities in achieving prosperity. We must make it a major task to greatly increase the peasants' income and try to fulfill the task in the process of carrying through the overall plan for economic and social development.

The meeting stressed the need to keep stable and perfect the party's policies for rural areas and deepen rural reforms. It is essential to continue with the responsibility system with the household contract linking output to payment as the main form, constantly perfect the dual management system characterized by unity and separation, vigorously develop socialized service system, and gradually increase the strength of the collective economy. At the same time we should deepen the reforms concerning the price of agricultural products and the circulation system.

The meeting pointed out: In order to attain the objective of giving the people a relatively comfortable life, we must accelerate the comprehensive development of the rural

economy and try to make new progress in structural readjustment and overall development. [passage omitted]

### **Rural Enterprises Develop in Jiangxi Province**

OW0812031391 Beijing XINHUA in English  
0107 GMT 8 Dec 91

[Text] Nanchang, December 8 (XINHUA)—Rural enterprises in East China's Jiangxi Province have achieved steady progress.

From January to October this year, the total output of the province's rural enterprises reached 15.97 billion yuan, an increase of 25.6 percent over the same period last year and about one third of the province's total industrial and agricultural output value.

Since 1988, Jiangxi has invested a total of 1.047 billion yuan to set up 710,000 rural enterprises, involving more than 40 industries in agriculture, manufacturing, commerce and construction. At present some 2.32 million people in the province are working in rural enterprises.

Most of the rural enterprises in Jiangxi are projects with limited investments but high returns, and most of them rely on local resources.

By now products of rural enterprises are being sold to the United States, Japan, Singapore and many other countries and regions. 56 products have been cited as "high-quality products" by the state.

Since 1988, the output value of rural enterprises has been increasing at an average rate of 24 percent annually, remitting to the state in the past three years taxes of 522 million yuan.

### **Shandong News Conference Views Housing Reform**

SK1012012191 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 6 Dec 91

[Text] It was learned at the 6 December news conference on reform of the urban housing system that the trial implementation plan to reform the provincial urban housing system—one which is of common concern to the people and is long cherished by them—has been approved by the provincial party committee and the provincial government. This plan will be tested in the entire province next year. This indicates that our province's housing reform has comprehensively entered a new implementation stage.

At the conference, Song Xihuan, deputy head of the provincial Housing Reform Leading Group and chairman of the provincial Construction Commission, reported on our province's basic trend in housing reform and major policy measures.

Our province's housing reform will be carried out by stages in line with the objectives of the Eighth Five-Year Plan, the 10-Year Program, and the long-term plan. The major policy measures include five aspects:

First, gradually raise the rent of public houses. As soon as the housing reform begins, the rent of public houses should be raised to the level of the 1990 housing maintenance funds of various localities. In the course of raising rents, units to which workers belong should issue housing subsidies of not less than 2 percent of the standard monthly wages of workers to occupants of public houses. Two percent of the monthly pension should also be issued as housing subsidies to retired workers. Rent will be increased for those whose houses exceed the state-stipulated standards of housing areas for workers by more than 30 percent. Revolutionaries and veteran comrades who once made contributions and households receiving government assistance should be cared for by reducing or exempting their housing rents according to the merits of their cases.

Second, promote the system of accumulated funds. Workers and units to which they belong should respectively pay 3 to 5 percent of the standard monthly wages of workers on a monthly basis. This sum should belong to workers and be deposited in the appointed bank. The interest will be paid and calculated as current deposit interest if the term is under 10 years; and the interest will be calculated as fixed deposit interest if the term exceeds 10 years. The accumulated funds will be especially used for housing construction.

Third, sell public houses. Public houses that are under the management of real estate management departments and units are allowed to be sold to workers and residents. The money for buying a house may be paid once or by installments. If the money is paid in one sum, a 20 percent discount will be given.

Fourth, receive cash deposits for renting a house or buy housing bonds. Ten to 20 percent of the construction cost will be collected as a cash deposit by the units that own the housing property. No interest will be given on the cash deposit. This sum will be entirely returned to the user when he returns the house. However, during the period of residence, he must pay rent according to stipulations. The subscribed housing bonds should generally account for 15 to 30 percent of the construction cost and should be returned to the subscribers in three to five years.

Fifth, build houses through collecting funds or through cooperation. In raising funds to build houses, units should play a dominant role. These kinds of houses should be built with the units' funds, supplemented by funds raised by the people. In building houses through cooperation, the individuals should play a dominant role in paying for the construction funds. These kinds of houses should be built with funds from the people, supplemented by the units' funds. The housing property rights should be owned by the individuals. In the provincial housing reform, the principle of adopting the unified plan but decentralizing the policy decisions according to local conditions will be implemented. All localities must comply with the measure of raising the rents of public houses and increasing the rents of those whose housing areas exceed the stipulated standards. All

localities may actively implement other related measures in line with their actual conditions.

Our province will successively formulate six supporting policies on subsidies for raising the rent of public houses, sales of public houses, accumulated funds, housing cooperatives, management of funds, and other related banking business.

#### **Provincial Cadre Training Work Conference Held**

*SK2611075291 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 25 Nov 91*

[Text] The provincial cadre training work conference was held in Jinan from 22 to 25 November. The conference relayed the guidelines of the national cadre training work conference and the guidelines of the national forum of party school presidents. The conference also discussed and arranged for the tasks and measures for further strengthening the work with regard to cadre training and party schools in line with the provincial party committee's five-year program on cadre training and with the provincial party committee's opinions on training and educating young cadres.

Ma Zhongcai, deputy secretary of the provincial party committee, and Tan Fude, Standing Committee member of the provincial party committee and director of the Organizational Department under the provincial party committee, attended the conference and made speeches.

The conference pointed out: During the Eighth Five-Year Plan, the priorities of the province's cadre training are to strengthen education on basic Marxist theory among party and government leading cadres at or above the county level and among young cadres, in order to ensure that the party and state leadership at all levels is firmly grasped in the hands of the people loyal to Marxism; to schedule about two years of time for training in rotation all principal party and government leading cadres at or above the county level; and to firmly and successfully grasp the major matter of training cadres by proceeding from the overall situation of training qualified successors to the socialist cause who will leap from this century to the next century, in order to ensure that the socialist cause will be handed down from generation to generation, by aiming at the long-term demands of the building of leading bodies, and by beginning with the distinguishing features of young cadres.

The conference pointed out: In training cadres, we should correctly handle the relations between training in political theory and training in professional knowledge, the relations between imbuing cadres with theories and tempering cadres in practice, the relations between creating conditions for cadres to study and the subjective endeavor of cadres themselves, and the relations between the immediate and long-term interests. We should foster an overall point of view with regard to training cadres, and expand the ideological training in line with the growth in cadres and the demands of the causes. We should extensively train cadres and enhance their quality through diverse forms and means. We

should conscientiously straighten out the style of study, and actually improve the quality of training. We should further strengthen the building of the training front, and truly build all levels of party schools and all kinds of cadres' schools into an important front to uphold and propagate Marxism and to struggle against peaceful evolution. We should positively promote the systemized and institutionalized management of cadre training, and should continuously persist in the method of promoting and using cadres according to their performance in studying theories and evaluating results.

The conference emphasized: Party committees at all levels must list the cadre training work as an important item on their daily agenda, must regard cadre training work as a major basic measure to withstand the three trials and to achieve success in the modernization drive, and must regard the work as an urgent task to strengthen the building of the ruling party until practical results are achieved. Through five years' endeavor, we should strive to greatly improve the political, theoretical, cultural, and professional expertise of cadres throughout the province.

#### **Wu Bangguo, Huang Ju Discuss Plenum Guidelines**

*OW0812143891 Shanghai People's Radio Network in Mandarin 2300 GMT 7 Dec 91*

[From the "Morning News" program]

[Text] The 12th Plenary Session of the Fifth Shanghai Municipal CPC Committee was held at the Shanghai Exhibition Center from 4 to 7 December 1991.

The main topic of the session was to transmit and implement the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee.

The session was attended by members and alternate members of the municipal party committee. Members of the municipal Advisory Commission and municipal Discipline Inspection Commission; members of the CPC Central Committee, the central Advisory Commission, and the central Discipline Inspection Commission who are in Shanghai; officials of the relevant departments; and some veteran comrades attended the session as observers. A total of more than 200 people were present at the session.

Members of the Standing Committee of the Shanghai Municipal CPC Committee officiated at the session.

Wu Bangguo, secretary of the municipal party committee; Huang Ju, mayor; and Chen Zhili, deputy secretary of the municipal party committee; made important speeches at the session.

Wu Bangguo and Huang Ju transmitted respectively the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee and Comrade Jiang Zemin's important speech at the session.

After earnest study and discussion, the session attendees unanimously endorsed the "Decision of the CPC Central Committee on Further Strengthening Agriculture and



the Work in Rural Areas" and the "Resolution on Convening the 14th CPC National Congress," which were adopted by the eighth plenary session. They also unanimously endorsed Comrade Jiang Zemin's important speech at the plenary session.

In the course of discussion, the participants said: By studying agriculture and the work in rural areas especially, the eighth plenary session has addressed a crucial issue in Chinese economic and social development in the 1990's. The decision on further strengthening agriculture and the work in rural areas, which was adopted by the eighth plenary session, reflects the great importance attached by the Central Committee to agriculture and the work in rural areas, and is a programmatic document guiding work in rural areas in the 1990's.

After obtaining an in-depth understanding of the spiritual essence of the eighth plenary session in the light of realities in Shanghai, the session attendees held animated discussion on the municipal party committee's "Several Suggestions for Implementing the Guidelines of the Eighth Plenary Session of the 13th CPC Central Committee and Strengthening Agriculture and the Work in Rural Areas." They said: This document of the municipal party committee, which was drafted on the basis of thorough investigations and studies and serious summary of experiences, concurs with the realities in Shanghai, and provides important guidelines for stabilizing and perfecting the party's basic policies in rural areas, continuing to deepen rural reform, launching pervasive socialist ideological education in the countryside, intensifying party building, forging closer links between the party and the masses and between urban and rural areas, and consolidating the socialist foundation in rural areas. This document was approved in principle by the session.

It was pointed out at the session: Under the leadership of the Central Committee and the guidance of the line, principles, and policies adopted by the party since the Third Plenary Session of the 11th CPC Central Committee, Shanghai has achieved tremendous successes in its rural reform and construction. While fully affirming these successes, however, we should soberly recognize the existence of quite a few difficulties and problems in agriculture and the work in rural areas. To tackle these difficulties and problems conscientiously is a task of top priority in further strengthening agriculture and the work in rural areas. We should earnestly implement the guidelines of the eighth plenary session in the light of realities in rural Shanghai, further stabilizing and perfecting the party's principles and policies in rural areas and continuing to deepen the rural reform. We should further develop agriculture and constantly improve the project on nonstaple food supply. We should develop village and township industry in an active and yet prudent manner, and energetically promote tertiary industry. We should increase input and set up a modern agricultural production system focused on flood prevention and soil improvement. We should carry out the strategy of developing and revitalizing agriculture with

science, technology, and education in all fields. We should draft and enforce plans for the construction of villages and towns for improving the living condition in rural areas. We should delegate greater authority to counties and build up their capability to develop the economy through overall planning. We should strengthen the party's leadership over work in rural areas and mobilize all trades and professions in Shanghai to vigorously support agriculture, so as to open up a new situation in the rural reform and construction.

It was pointed out at the session: Shanghai made a relatively early start in launching socialist ideological education in rural areas. Comrade Jiang Zemin, while still in charge of the work in Shanghai in 1987, called for efforts to strengthen education on collectivism, patriotism, and socialism among the broad masses of peasants. In the past few years, the education has been gradually deepened with a different theme each year, which manifests different stages and maintains the continuity of the educational activity. Further efforts must be made to carry out the education in a down-to-earth manner and make it a success. To launch in-depth socialist ideological education in rural areas is an important measure of the party to guide peasants to take the socialist road with Chinese characteristics in the new historical era. It is also a basic project for achieving the second-step strategic goal. In line with the spirit of the eighth plenary session, we should concentrate efforts to launch in-depth ideological education based on the needs of each rural area during a given period of time in the next two or three years. We should pay particular attention to work in the following three fields: 1) We should proceed from the actual condition of each rural county and map out appropriate arrangements for deepening education on patriotism, collectivism, and socialism in accordance with the demands of the eighth plenary session and on the basis of the current work. We should comprehensively implement the party's basic line and its principles and policies in rural areas, so as to promote the development of rural economy and effectively reinforce the construction of village-level organizations with the party branches as the core; 2) In villages where the collective economy is weak, the party branch leadership is inept, serious problems exist, and the people have much about which to complain, we should take action to help these villages launch socialist ideological education; 3) We should combine ideological education with finding solutions to practical problems. In accordance with the socialist principle of achieving common prosperity, we should help village-run enterprises, especially those run by poor villages, systematically establish links with urban state-owned large and medium-sized enterprises having achieved better economic efficiency, so as to promote the development of rural economy.

The session attendees also diligently examined and approved in principle the municipal party committee's "Several Practical Suggestions for Intensifying the Construction of Socialist Spiritual Civilization at Present." They said: Since the Third Plenary Session of the 11th CPC

Central Committee, the Shanghai CPC Committee has attached great importance to the construction of socialist spiritual civilization and, especially since the Fourth Plenary Session of the 13th CPC Central Committee, has further strengthened the construction of spiritual civilization, thereby bringing about a coordinated development in the construction of two civilizations in Shanghai. However, the present condition of the construction of spiritual civilization in Shanghai is lagging behind the situation and tasks facing the municipality.

The session called on party organizations at all levels to recognize further the importance and urgency of intensifying the construction of socialist spiritual civilization, and enhance the awareness of attending to the construction of two civilizations simultaneously. Party organizations at all levels should conduct serious study and planning and formulate measures for effectively overcoming the tendency of emphasizing one aspect to the negligence of the other. They should also adhere to the socialist orientation, foster healthy moral practices of society, enrich socialist culture, and raise the ideological and ethical standard and scientific and educational quality of all residents of the municipality.

The session attendees also discussed the municipal party committee's outline of work for 1992. They believed that the municipal party committee's arrangements for the work of next year are appropriate, prioritizing the important tasks and stressing the key points.

The session instructed the standing committee of the municipal party committee to speed up the revision of the final draft of the outline based on the suggestions made by the attendees and distribute the outline for implementation as soon as possible.

The session called on party organizations at all levels and Communist Party members at large in Shanghai to diligently implement the guidelines of the Eighth Plenary Session of the 13th CPC Central Committee and closely rally around the Central Committee with Comrade Jiang Zemin as its core, taking economic construction as the central task, adhering to the four cardinal principles, and persisting in reform and opening to the outside world. They should also further emancipate the mind, seek truth from facts, explore new ways boldly, work hard in a pioneering spirit, and concentrate efforts to promote economic development and build up the party, so as to greet the convocation of the 14th CPC National Congress and the Sixth Shanghai Municipal CPC Congress with outstanding achievements in the construction of socialist material and spiritual civilization.

#### Wu Briefs Nonparty Figures

OW1112040391 Shanghai People's Radio Network  
in Mandarin 2300 GMT 10 Dec 91

[From the "Morning News" program]

[Text] The Shanghai CPC Committee held a forum of nonparty figures yesterday [10 December]. At the forum,

Secretary Wu Bangguo and Deputy Secretary Chen Tiedi of the municipal party committee relayed the guidelines of the eighth plenary session of the 13th Central Committee, and General Secretary Jiang Zemin's important speech at the session, to members of democratic parties and relevant mass organizations, as well as noted figures without party affiliation in the municipality. They also briefed them on the 12th Plenary Session of the Fifth Shanghai Municipal CPC Committee.

Comrade Wu Bangguo presided over the forum. Those present included Mao Jingquan, member of the Standing Committee and director of the United Front Work Department of the municipal party committee.

In his speech at the forum, Wu Bangguo said: The current situation in Shanghai is good. Political, economic, and social stability prevails. People are united, and relations between the cadres and the masses are fairly harmonious. Despite natural disasters, a good harvest has been collected. In industrial production, the decline in economic results has been stopped. Substantive progress has been made in developing Pudong and opening it to the outside world. The building of socialist spiritual civilization has been further strengthened. All such achievements are inseparable from your efforts.

Wu Bangguo pointed out: The most important of our experiences in work is that it is imperative to implement accurately and in an all-around way the party's basic line of carrying out economic construction as the central task, upholding the four cardinal principles, and persisting in reform and opening to the outside world and to concentrate our efforts on the economic construction of Shanghai. We must unswervingly continue to do so in our future work.

Wu Bangguo hoped that with the central task of economic construction in mind, democratic parties, relevant mass organizations, and people without party affiliation in the municipality would offer advice or make suggestions on how to effectively implement the guidelines laid down by the Eighth Plenary Session of the 13th CPC Central Committee and the 12th Plenary Session of the Fifth Shanghai Municipal Party Committee.

Wu Bangguo said: Socialism is built through all our efforts. To carry out the tasks and achieve the objectives set by the eighth plenary session of the 13th Central Committee and the 12th Plenary Session of the Fifth Shanghai Municipal Party Committee, we must unite with all the forces that can be united, and mobilize all positive factors to translate the decisions of the Central Committee and the municipal party committee into conscientious actions of the masses.

He said: Those present who have individually established contact with other members of democratic parties or members of the masses should do their work well among the latter in order to make concerted efforts to contribute to the revitalization of Shanghai.

Responsible persons of democratic parties and relevant mass organizations and figures without party affiliation



attending the forum included Xu Yifang, Zhao Chaogou, Dong Yinchu, Zhao Xianchu, (Liu Hengchuan), (Ye Shuhua), and (Feng Depei).

#### Commentary Urges Action

OW0812133191 *Shanghai People's Radio Network*  
in Mandarin 2300 GMT 7 Dec 91

[Station commentary: "Creating New Situation for Building Two Civilizations in Shanghai"; from the "Morning News" program]

[Text] The just-concluded 12th session of the fifth Shanghai municipal party committee has conveyed the guiding spirit of the Eighth Plenary Session of the 13th CPC Central Committee; drawn up plans for strengthening Shanghai's agricultural and rural work in accordance with the reality in Shanghai; and decided to intensify building of spiritual civilization, as well as work in other fields, next year.

Conscientious study and implementation of the spirits of the plenary sessions of both the Central Committee and the municipal party committee is significant to Shanghai's development and the creation of a new situation for various work in Shanghai in 1992. Agricultural and rural work has been the major agenda item at both meetings. The construction of suburban Shanghai in the 1990's should be in line with the concept of developing Shanghai into a modern international city and gearing itself for high-level development. All party comrades in Shanghai should fully realize the important position and function of agricultural and rural work. All trades and professions in the municipality should support various work in the countryside and serve the peasants wholeheartedly, in accordance with the spirits of both the Central Committee and the municipal party committee on strengthening agricultural and rural work, as well as building the two civilizations.

Given the conditions of reform and opening to the outside world and the development and opening of Pudong, further improving the work of building spiritual civilization in Shanghai is a question of great concern to both party and non-party members. In implementing the guidelines of the eighth plenary session of the Central Committee, we should adhere to the principles of building material and spiritual civilizations. The more we embark on reform and opening up, the more we should intensify the building of socialist spiritual civilization, boost national spirit, promote a fine social atmosphere and morality, and enrich socialist culture. We should, therefore, seriously implement forthwith the various guidelines set by the municipal party committee to intensify building of socialist spiritual civilization.

In order to revitalize Shanghai and to develop and open up Pudong—with a view to building Shanghai as a modern, socialist, international city—Shanghai people in the 1990's should possess a broad mind and strive to serve the whole nation and face the entire world; promote the spirit of revitalizing Shanghai in their capacity

as masters; dare to explore; forge ahead with courage and creativity; and work doubly hard to ensure success. We should respond positively to calls by both the Central Committee and the municipal party committee and insist on doing an even better job in agricultural and rural work, in economic work, and in building spiritual civilization. Let us greet the convening of the 14th National Party Congress and the sixth congress of the Shanghai municipal party committee with excellent achievements in building both material and spiritual civilizations.

#### Huang Ju Addresses Forum on Economic Zones

OW0812125591 *Shanghai Voice of Pujiang*  
in Mandarin to Taiwan 1000 GMT 7 Dec 91

[From the "News" program]

[Text] A national work forum on economic and technical development zones in coastal cities open to the outside world was held in the Minhang Economic and Technical Development Zone, Shanghai, from 4 to 6 December.

Representatives from the 14 economic and technical development zones in all the coastal cities open to the outside world summed up the progress made by the development zones over the past seven years and exchanged their experiences in this field of endeavor. So far, a relatively perfect investment environment has been established in the development zones since construction of their projects began in succession from the end of 1984. They are gradually attracting more and more foreign investors. As of 30 September, nearly 30 square km have been developed for construction projects; factory buildings together with their ancillary facilities have been erected on more than 500 square meters land; approval for a total of over 1,350 investment projects have been granted to foreign businessmen; amount of investment contracts entered into by foreign businessmen have totaled \$2.5 billion; over 1,000 enterprises have already begun production; and a number of new high-tech projects have been launched. Economic development enjoyed by these zones has taken shape to a certain extent. Huge inputs committed during the early stage of construction has begun to pay off as output increases year after year. It is estimated that this year their industrial output value will reach 14 billion yuan and that they will generate more than \$1 billion worth of foreign exchange from exports. Economic returns increase year after year; average labor productivity churned out by the entire body of industrial workers at the development zones tops 70,000 yuan; and profits and tax revenues show an increase of 11 and 23 times respectively from those of 1986. The development zones have played an active role in utilizing foreign funds, introducing advanced technologies and management experiences, and opening up new channels for trade with foreign countries and have thus promoted development of the export-oriented economy at the coastal cities open to the outside world.



The meeting maintained that, after development and construction over the past seven years, the development zones have become important fronts and windows for coastal cities open to the outside world to conduct economic activities with foreign countries; that they show very hopeful prospects; that their investment environment has begun to take shape and give play to their roles and functions at the initial stage; that, compared to the requirements raised by the Central Committee and the State Council for successfully running the economic and technical development zones, much remains to be desired; and that, in the face of the challenges and opportunities which exist at the same time, it is necessary for us to have a strong sense of urgency and responsibility and make efforts in a down-to-earth manner in a bid to usher in a new situation and attain a new level of achievement. The responsible comrades from all the development zones, relevant provinces and municipalities, and relevant departments of the State Council attending the meeting discussed the topic in depth by drawing on collective wisdom and absorbing all useful ideas.

Mayor Huang Ju attended yesterday's meeting and wished it success. Huang Ju also briefed all those who were present at the meeting on the concept for construction of Shanghai's New Pudong Area. He said: Shanghai will take a new path in carrying out construction at the New Pudong Area through implementation of the policy of combining the economic and technical development zone with the special zone and integrating industrial production with the tertiary industry, construction of a new city with renovation of an old one, and absorption of domestic funds with introduction of foreign funds. Huang Ju indicated that Shanghai wants to strengthen economic cooperation and exchanges with fraternal areas and welcomed everyone to participate in promoting development of the New Pudong Area.

#### Four Financial Units Begin Operation in Pudong

OW0912062991 Beijing XINHUA in English  
0438 GMT 9 Dec 91

[Text] Shanghai, December 9 (XINHUA)—Four more financial units have become operational in Shanghai's new Pudong development area at a time when the Shanghai Pudong branch of the Industrial and Commercial Bank of China (ICBC) celebrates its first anniversary.

They are the Pudong business department of ICBC Shanghai Trust and Investment Corp., the Pudong business department of ICBC Shanghai Housing and Building Development Corp., the Pudong agency of ICBC Shanghai Economic Consulting Department, and the Pudong business department of Shanghai Shenyin Securities Corp.

The new bodies aim to provide financial backing for the development of the Pudong New Area.

Even during the stage of preparation for opening business, two of the units already collected 80 million yuan in deposits, handled another 80 million yuan in loans,

and issued financial bonds at a combined value of 136 million yuan on behalf of nine large and medium-sized enterprises in Pudong.

The Pudong area is on the eastern bank of the Huangpu River while Shanghai proper is on its western bank. Pudong is designated a development area by the State Council, China's highest governing body, to promote the entire process of opening to the outside world.

Experts say that the development of Pudong will help accelerate the opening scope of eastern and central China, or the middle and lower reaches of the Yangtze River.

#### Shanghai Stock Exchange Increases Trade Volume

OW1212045491 Beijing XINHUA in English  
1548 GMT 11 Dec 91

[Text] Shanghai, December 11 (XINHUA)—Shanghai Stock Exchange, the first of its kind in China, registers a transaction amounting to nearly eight billion yuan since it opened last December.

Its daily trade volume is more than 30 million yuan and that of the stocks is valued at 1.5 billion yuan. The proportion of stocks in the whole business volume has soared from two percent to 21 percent.

Shanghai Stock Exchange now has 26 members who run 40 securities consisting of 32 bonds and 8 stocks.

Wei Liyuan, 36-year-old general manager, said that it now can handle 4,000 dealings every day.

Talking of the future plan, he said that the limitations on the stock prices will gradually be lifted and the prices will be more flexible and different kinds of stocks will be handled in different ways.

#### Enterprises To Issue More Stocks

OW0812035091 Beijing XINHUA in English  
0307 GMT 8 Dec 91

[Text] Beijing, December 8 (XINHUA)—Local enterprises in Shanghai will issue new shares within the month, and this will be the first large scale issue since the Shanghai Securities Exchange was set up a year ago.

Local sources said that the five local enterprises to issue new shares are the Shanghai Special-Shaped Steel Tubing Co Ltd, Shanghai Pudong Dazhong Taxi Service Co Ltd, Jiafeng Cotton Mill, Shanghai Zhongcheng Enterprise Co Ltd and Huchang Special Steel Co Ltd.

Three of them have already published their intention to raise capital by floating shares last week in the local newspaper LIBERATION DAILY [JIEFANG RIBAO]. Dazhong Taxi will issue shares worth 14 million yuan (2.6 million U.S. dollars), Zhongcheng Enterprise, a real estate company, will float 61.80 million yuan (11.5 million U.S. dollars) in shares and Shanghai Special-Shaped Steel Tubing will issue 36.10 million (6.7 million U.S. dollars) in shares.

However, the paper said, only a small proportion of the shares will be issued to the public, with most being sold to company shareholders and company employees.

The three kinds of shares all carry a face value of 10 yuan per share and will be sold at a premium of 35 yuan for Dazhong Taxi, 28 yuan for Special-Shaped Steel Tubing and 12 yuan for Zhongcheng Enterprise.

Facing a thirsty stock market, local financial officials have worked out a special issue method to prevent any security problems and large crowds.

#### **Shanghai To Focus on 'Backbone Industries'**

OW0812155791 Beijing XINHUA in English  
1459 GMT 8 Dec 91

[Text] Shanghai, December 8 (XINHUA)—Shanghai will carry out about 1,500 projects to stimulate its rural economy and in next four years, it will focus on its 300 backbone industries.

Zhao Shengrong, director of the Spark Program Office under the Shanghai Science and Technology Commission, said today that the Spark Program aims to apply scientific and technical development to production in rural areas.

This year Shanghai has approved 292 Spark projects involving three million yuan (about 600,000 U.S. dollars) which have been used as interest security for bank loans of about 60 million yuan.

The city will develop 100 kinds of complete sets of Spark technical equipment and train 2 million rural technicians and management personnel, Zhao said.

By the end of last year, 244 Spark projects out of a total of 769, with a gross investment of 570 million yuan had been completed.

It is estimated all the projects will be completed by the end of 1991.

He said that on completion of these projects the rural economy will see an additional output value of 2.63 billion yuan a year.

He said that the success lies in flexible cooperation between rural enterprises and urban universities, institutes, large and medium state-owned enterprises.

Priority will be given to projects involving farming and agricultural product processing, light industrial products, textiles, fine chemicals, building materials and machinery.

Zhao said that in carrying out each Spark project, the local government would consider whether or not it uses advanced technology.

He added that 30 percent of the total projects should be at the national level.

In past few years, the city has rallied more than 3,000 scientific technicians from 200 institutes, 40 universities, 100 large and medium state-owned enterprises to engage in the Spark activities.

#### **Shanghai To Develop 'Complete' Robot Industry**

OW0812160091 Beijing XINHUA in English  
1514 GMT 8 Dec 91

[Text] Shanghai, December 8 (XINHUA)—Shanghai plans to set up a complete robot industry in the coming years, said a municipal official today.

If things go smoothly, the city will be able to form a robot industry in two or three years, said Gu Changgeng, deputy director of the Department of Advanced Technology under the municipal Science and Technology Commission.

He said that the city will make a study on overseas robot development and compare the results to the city's conditions before laying down a specific plan.

Top priority will be given to the improvement of robot production technique and tools rather than design, he said.

He pointed out that there are difficulties making universities and manufacturers join hands in robot production.

"This is a tricky problem, for some universities want to manufacture robots by themselves, even if their production means are no better than the factories," said the deputy director, adding that efforts would be made to improve relations.

He said that the city's first bridge robot has been developed, the result of cooperation between a university and an enterprise and another two are being built.

High-performance robots are on the drawing board, he said, the city is set to develop special robots used for climbing walls and mountains, cleaning the glasses of high-rise buildings as well as micro machines that involve microelectronics, computers, lasers and robots.

Gu expressed the hope that the city will cooperate with overseas investors on digitally controlled technology.

### **Central-South Region**

#### **Shantou Residents' Housing Conditions Improved**

OW1012123291 Beijing XINHUA in English  
1221 GMT 10 Dec 91

[Text] Shantou, December 10 (XINHUA)—The floor space for each urban resident in the Shantou Special Economic Zone, Guangdong Province, has doubled since 1984, thanks to the local government's large-scale housing construction.

Shantou has sold government-subsidized flats totaling one million sq m of floor space to its residents during the past eight years.

According to statistics, the size of the city proper has nearly doubled since 1984, but the per capita floor housing space has increased to eight sq m in 1990 from 3.75 sq m in 1984.

In 1984 when Shantou was set up as one of the first special economic zones, about 47 percent of all its urban families had difficulties in housing or had an average floor space of less than two sq m.

During the past eight years over one million sq m of flats have been constructed and sold to urban residents at a price subsidized by local governments and the work units of buyers.

Yang Jinjun, a child-care worker at Yuehua kindergarten, said her family of four recently moved into a three-room flat with a total of over 50 sq m in floor space.

Yang and her family used to live in a room of about 11 sq m.

Yang's family is one of the 800 to benefit from the local government's low-rent public housing projects, which were initiated in 1990 to house low-income residents.

The Shantou municipal government allocated about 14 million yuan (about 2.4 million U.S. dollars) to construct 800 flats in the past two years.

Each family was allocated one of the 800 flats at a monthly rent of about 20 yuan (about four U.S. dollars).

In urban China, it is too expensive for average residents to buy commercial houses, which have only become available in the past several years, and most of the urban residents live in houses allocated by their work units. The rent for an average family is about 10 to 20 yuan (two to four U.S. dollars).

#### **Guangdong Gathers Good Harvest Despite Drought**

*OW1012154391 Beijing XINHUA in English  
1320 GMT 10 Dec 91*

[Text] Guangzhou, December 10 (XINHUA)—Despite serious drought a good harvest has been gathered in Guangzhou, capital of southern China's Guangdong Province.

The output of late rice, peanuts, sugar cane, fruits, household stock and aquatic products has all increased.

The city planted more than 107,630 ha [hectares] of late rice, 4,000 ha less than last year. It is expected that the output of late rice will set a new record.

The city also planted nearly 20,000 ha of sugar cane and more than 3,300 ha of peanuts.

#### **Zhao Fulin Conveys 'Spirit' of Plenary Session**

*HK1012121991 Nanning Guangxi People's Radio  
Network in Mandarin 1130 GMT 6 Dec 91*

[Text] From 3 to 4 December, the regional party committee called an enlarged meeting of the Standing Committee to convey and study the spirit of the recently held Eighth Plenary Session of the 13th CPC Central Committee, and discuss and study questions of how to strengthen the region's agriculture and rural area work in light of Guangxi's actual situation. Party-member leading comrades of the regional party committee's Standing Committee, Advisory Commission, people's congress, government, and political consultative conference; and members of the central Advisory Commission and the central Discipline Inspection Commission in Nanning participated in the meeting.

Zhao Fulin, regional party secretary, who attended the eighth plenary session, conveyed the spirit of the session.

Participating comrades unanimously held that the CPC Central Committee's decision to strengthen work in agriculture and rural areas, specially discussed and passed at the Eighth Plenary Session of the 13th CPC Central Committee, is of immediate and far-reaching historical significance. The Central Committee's decision has thoroughly summed up China's work in agriculture and rural areas since the Third Plenary Session of the 11th CPC Central Committee, fully affirmed the enormous achievements in the reform and development of rural areas; further defined the major tasks, guiding thought, basic principles, policies, and measures for work in rural areas throughout the 1990's; and is a programmatic document for China's work in agriculture and rural areas at the present time and for a period of time to come.

Participating comrades unanimously expressed their resolute support for the decision of the Eighth Plenary Session and the CPC Central Committee. They conscientiously studied the spirit of the eighth plenary session in light of the actual situation, further understood the important status and role of agriculture and the great significance of strengthening work for agriculture and rural areas. Everyone maintained: The eighth plenary session pointed out that agriculture is the foundation of economic development, social stability, and national self-reliance. Without stability and overall progress in rural areas, it is impossible to attain stability and overall progress in society as a whole. If peasants cannot lead a relatively well-off life, it is impossible to enable people throughout China to lead a relatively well-off life. Without modernizing agriculture, it is impossible to modernize the entire national economy. This is a summation of historical experiences and completely conforms to China's national conditions and our region's conditions.

Facts have proved that whenever agriculture is well reinforced, society will be stable, the economy will develop, market activities will be brisk, and people will



rest assured. The problems in our economy on various occasions since the founding of the PRC are due to the imbalance in industry and agriculture. In each economic readjustment, we always begin with strengthening the foundation; namely, agriculture. We see from this that agriculture, peasants, and rural problems play extremely important strategic roles and functions in China's national economic and social development. At present, under the new domestic and international circumstances, further strengthening work in agriculture and rural areas is of more significance to promoting the development of the entire national economy, consolidating the worker-peasant alliance, strengthening the people's democratic dictatorship, and resisting peaceful evolution.

During the study and discussion, participating comrades fully affirmed the historical changes in the outlook of China's and the region's rural areas during the 1980's. They pointed out: Since the Third Plenary Session of the 11th CPC Central Committee, China has made enormous achievements in the reform and construction of rural areas, agricultural production and the rural economy have increased in a comprehensive way, and the standards of peasant material and cultural life have increased remarkably. Our region, as other places in China, has made very great progress in work in agriculture and rural areas. Their development during the Seventh Five-Year Plan, in particular, was more speedy. During these five years, the gross agricultural output had an average increase of 4.9 percent each year. In 1990, the total grain output reached 14.02 million tonnes, exceeding the previous record. Forestry, animal husbandry, sideline occupations, and fisheries, as well as township and town enterprises, have developed greatly. The problem of clothing and food for some eight million people was resolved during the past decade.

This year, agricultural production in our region was plagued by comparatively severe drought in spring, waterlogging in summer, and a dry spell in fall. It is expected that the gross grain output will slightly decrease. However, production of cash crops including cane and tobacco are on the increase; and forestry, animal husbandry, sideline occupations, and fisheries, as well as township and town enterprises, all maintain a better momentum of growth. This has laid a solid foundation for the development of the rural economy in the future and the overall progress of society, and is a result of the efforts of peoples of all nationalities in the region, under the leadership of the CPC Central Committee, to emancipate their minds, seek truth from facts, courageously make explorations, and pioneer their cause arduously.

Based on consolidating and developing the results we obtained during the 1980's, we should make efforts to resolve existing problems, thoroughly fulfill the objectives and tasks for agricultural development as set forth in the 10-Year Program and the Eighth Five-Year Plan, and continue to usher in a new situation in work in rural areas.

On the basis of conveying and studying the spirit of the eighth plenary session, enhancing understanding, and unifying thought, the enlarged meeting of the regional party committee's Standing Committee put forth opinions and suggestions as to how to implement the spirit of the eighth plenary session and to strengthen the region's work in agriculture and rural areas.

Participating comrades held that one very important aspect of strengthening work for agriculture and rural areas is to deepen rural reform determinedly and unswervingly and promote overall development of the rural economy. In the practice of leading rural reform, our party has gradually drawn up a series of basic policies. Practice has already proved that these basic policies suit the development level of the productive forces of China's rural areas at the present stage and are deeply welcomed by vast numbers of peasants. It is necessary to maintain consistently their stability, continually improve them, and deepen the reform. It is necessary to maintain continually the stability of contracted responsibility systems based mainly on the system of contracted responsibilities on the household basis with remuneration linked to output; continually improve the system of unified management combined with separate management; vigorously develop the agricultural socialized service system; and gradually enhance the strength of the collective economy, thus leading the people to the road of common prosperity. It is necessary to reform prices of farm products and the circulation system actively and steadily in line with the principle of integrating the planned economy and market regulation and further facilitate commodity circulation so that commodities can flow where they should and the rural commodity economy will develop.

Participating comrades conscientiously discussed a number of questions and put forth many good opinions and suggestions for them. Those questions included continually readjusting the rural industrial structure; stepping up implementation of the development strategy using science, technology, and education to boost agriculture; vigorously initiating basic irrigation and water conservancy projects; increasing input in agriculture to a larger degree; continually improving work for supporting the poor; conscientiously strengthening the development of basic-level organizations in rural areas; continually deepening education in socialist ideas; strengthening the spiritual civilization and democratic rule of law in rural areas; and further strengthening the party's leadership over work for rural areas.

Participating comrades stressed that for the implementation of the spirit of the eighth plenary session, it is necessary vigorously to ensure its very implementation, that cadres at all levels should inspire themselves with enthusiasm; rouse themselves for vigorous efforts; further emancipate their minds; stick to the ideological line of seeking truth from facts; proceed from reality in everything; and appropriately explore ways of development characteristic of their own locality in light of their resources and conditions, economic development levels,

the quality of cadres and the masses, and other conditions. It is necessary to change workstyle, make investigations and studies deep in rural areas and deep in reality, find and resolve new problems in rural areas, sum up and promote new experiences, and serve the grass roots and peasants in a still better way.

The enlarged meeting of the regional party committee's Standing Committee decided that leading comrades of the regional party committee, Advisory Committee, people's congress, government, and political consultative conference should, in the near future, lead comrades in charge of relevant departments in going among the grass roots in the villages of various parts of the region and spend approximately half a month carrying out investigations and studies to inquire into the current situation of work in agriculture and rural areas and listen to the opinions, requests, and suggestions of basic-level cadres and peasants regarding their work. It also stressed that the investigations and studies this time should be conducted deep in counties, villages, and among basic-level cadres and peasants to inquire about their situations and listen to their opinions, and to really integrate the spirit of the Eighth Plenary Session of the 13th CPC Central Committee with the region's actual situation, so as to put forward concrete and practical measures for deepening and implementing the eighth plenary session in the next step.

#### **Cheng Kejie Views Infrastructure Construction**

*HK1212045691 Hong Kong WEN WEI PO  
in Chinese 8 Dec 91 p 3*

[By staff reporter Chung Wei-i (6988 5113 0001) and special correspondent Li Hai (6849 3189): "Guangxi Chairman Cheng Kejie Discloses Region's 60-Billion-Yuan Capital Construction Package"]

[Text] Nanning, 7 Dec (WEN WEI PO)—Cheng Kejie, chairman of the Guangxi Zhuang Nationality Autonomous Region Government, told these reporters that to make better use of Guangxi's geographic advantages, and to create better conditions for opening up to the outside world, during the Eighth Five-Year Plan, Guangxi will invest 60 billion yuan to build transportation facilities and energy and raw materials production bases. The huge amount of money will be attained from the state's financial allocations, investments made by various central departments, and funds raised by local governments at various levels in Guangxi.

Cheng Kejie said: "Guangxi will soon begin to go in for large-scale capital construction." The trunk railway line in southwest China, the Nanning-Kunming railway, which requires an investment of 6 billion yuan, is under construction. The railway project between Qinzhou and Beihai has also been started. The new airport projects in Liuzhou and Wuzhou have been started as well. A new international airport will be constructed in Guilin next year, and it will require an investment of more than 500 million yuan. The river port of Guigang will be expanded

to achieve a cargo handling capacity of 4.6 million tons. New wharves will also be built in Qinzhou, Beihai, and Fangcheng ports. High-class highways between Nanning and Wuzhou and between Liuzhou and Guilin are now under construction, and the highway trunk line projects between Guilin and Xingan, Cenxi and Luoding, and Nanning and Wuming will also be started soon. Hydropower plants in Longtan, Yantan, and Tiansheng-qian and thermal power plants in Liuzhou are all under intensive construction.

Cheng Kejie stressed that the completion of these projects will gradually improve Guangxi's investment environment, and will gradually build up Guangxi's mechanisms for capital accumulation, thus laying a solid foundation for Guangxi's economic take-off.

### **Southwest Region**

#### **Guiyang Teachers, Students Mark 9 Dec Movement**

*HK1112101491 Guiyang Guizhou People's Radio  
Network in Mandarin 2300 GMT 9 Dec 91*

[Text] On 9 December, some teachers and students from eight universities and colleges in the Guiyang area gathered together to discuss and exchange views about the experience of the Marxist Theory Study Group of University Students in commemorating the 56th anniversary of the 9 December Movement. Long Zhiyi, the provincial party deputy secretary, and Chang Zheng, the provincial party committee Propaganda Department head, attended and spoke. In his speech, Long Zhiyi called on young people in the province to stress the integration of theory and practice in studying Marxism-Leninism and, while conscientiously studying theoretical knowledge and grasping the theoretical weapon, to pay attention to linking theory with China's modern revolutionary history, the achievements China has obtained since the PRC was founded, national economic development, the Eighth Five-Year Plan, the 10-Year Program, and the current international situation, and carry out in-depth discussion and study. He hoped that all universities and colleges would strengthen the building of the theoretical contingent, treat the study of Marxism-Leninism-Mao Zedong Thought as an important content of moral education, actively train and recruit new party members from among university students, and reinforce and expand the party's contingent.

At the meeting, Chang Zheng also set specific demands on university students of modern times regarding the study and application of Marxism-Leninism.

#### **Yang Rudai Interviewed on Sichuan Rural Reform**

*HK1112074391 Chengdu SICHUAN RIBAO in Chinese  
22 Nov 91 p 1*

["Provincial CPC Secretary Yang Rudai Answers Reporter's Questions on Speeding Up Rural Reform"]



[Text] Yang Rudai, provincial CPC secretary, recently answered our staff reporter's questions on getting a clear understanding of the situation, emancipating minds, and speeding up the pace of rural reforms in our province.

Reporter: Ours is a province which started rural reform earlier and we have achieved comparatively great success in reform. However, in recent years some comrades maintain that nothing magnificent can be achieved in reform and that the pace of reform has been slowed down. Comrade Rudai, could you talk about the issue of how to comprehend the importance and urgency of rural reform under the new situation?

Yang Rudai: Alright. To comprehend the urgency of rural reform, it is first of all necessary to make an analysis of the present rural situation. Sichuan has truly made good achievements in its rural reform. Some counties which are developing very fast economically, including Guanghan, Xindu, Qionglai, and others are typical successful examples coming to the fore in reform. Since the Third Plenary Session of the 11th CPC Central Committee, the key to the profound changes in the rural economy of the whole province and the prosperity and stability of the entire society lies in the unremitting and persistent efforts of the vast number of cadres and masses to stick to the guiding principle of reform and opening up as the core of economic construction, and the successful implementation of a series of important measures for reform. Of course, we should also soberly realize that rural reform and development is not always plain sailing. Before 1984, reform was carried out mainly in agriculture and smooth progress was made in the regard. However, after 1985, due to the fact that the targets, contents, and objective environment for reform had changed and that the degree of development of reform has been affected and constrained by various factors, the complexity and arduousness of rural reform far exceeded that of the earlier period of reform. In this stage, there are two new characteristics in rural reform. First, the target of reform has been shifted from mainly solving the problems of emancipating the productive forces and providing peasants with enough food and clothing to establish a new system of the planned commodity economy. Reform has surpassed the scope of rural areas. The contradiction that certain links in productive forces and superstructure do not conform with the development of the productive forces and the contradictions and problems arising in circulation, monetary, and management systems, as well as the relations between city and country and between different departments and areas have become increasingly prominent. Since every advance brought about by rural reform in these fields is closely connected with the entire national economy and greatly constrained by the pattern of interests, it is difficult for rural reform to advance in isolation. Second, since 1985, the focal point of reform in our country has been transferred from rural areas to urban reform with enterprises as the center. Problems arising in rural reform which concern the overall situation should be dealt with in accordance with the unified

arrangements for the whole country. The tolerance level of the urban economy should be fully taken into consideration, and coordinated and linked with urban reform. Thanks to the efforts exerted in recent years, greater success has been made in urban reform. However, industrial enterprises—medium and large enterprises in particular—still lack vigor and vitality. Their problems of low efficiency, irrational production structures, and so on have not yet been completely solved, in addition to inflation and financial difficulties. They have, in varying degrees, affected the further deepening and development of rural reform. As reform has become more difficult, its progress has been affected.

Reporter: In this stage, rural reform in our province has made new breakthrough in certain realms and some zones. Why does reform in other fields and zones fail to make great progress?

Yang: I think that this involves our low level of economic development and weak tolerance. But the most important reason is that we have not fully emancipated our minds and some muddled ideas in our minds have fettered many comrades' enterprising spirit of forging ahead. Some comrades have wrongly treated some new problems arising in reform as an inevitable negative effect. In their minds, reform is tending to draw back. They have wavered on whether reform should be intensified. Some comrade have lacked a sense of urgency and initiative in deepening rural reform and are devoid of confidence to make new exploration. Some measures for reform have not yet been fully implemented. Many successful experiences achieved by us in key points have not yet been promptly popularized in all areas.

We should realize that all these views and ways of doing things are incorrect. Sichuan is a large agricultural province. The only method for attaining the second-stage strategic targets, invigorating the rural economy, and gradually narrowing our gap with developed regions is to strive for development amid reform and rely on reform to arouse the inherent vitality of economic development. Only through effective reform can we remove the barriers created by the old system and inject new vigor into rural economic development. Therefore, at present, we should enhance our understanding of the importance and urgency of deepening rural reform and enable cadres and masses in the whole province to reach identical opinions on speeding up the pace of rural reform.

Reporter: Is deepening reform important to consolidating the socialist system?

Yang: Yes it is. Deepening reform is a basic way for consolidating, perfecting, and developing the socialist system. At present, great changes have taken place in the international political structure. The key to whether our party and country can be in an invincible position in international political struggle and economic competition lies in the following three conditions: First, the building of the party itself; second, the socialist system being continuously perfected and developed in reform; and third, a new



system which conforms with the development of the commodity economy so that we can concentrate our efforts on boosting our economy to promote a labor productivity which is higher than that of capitalism. After summing up the experiences of the international communist movement and our practical experiences at home, we realize that in the initial stage of socialism, it is only by relying on deepening reform that we can fully demonstrate and give full play to the superiority of socialism, open up a way for the immense development of the productive forces, promote the process of modernization, and completely persist in and consolidate the socialist system. We should understand that without the economic development brought about by the reform and opening up of the past 10 years, and especially the breakthrough in rural reform, sustained agricultural growth, and all-round agricultural development caused by a series of transformations, there would not be stability and unity today. Therefore, our cadres at all levels should comprehend the strategic significance of further consolidating and expanding the achievements of reform and deepening rural reform from the high plane of upholding the socialist road, preventing peaceful evolution, and strengthening and developing the socialist system.

**Reporter:** In our economic life, there are some problems at the deeper level. What are the relations between solving these problems and contradictions and deepening reform?

**Yang:** Only by further deepening reform can we gradually solve contradictions and problems at the deeper level. Thanks to the economic improvement and rectification over the past three years, the entire economic situation is continuing to take a turn for the better. However, due to the fact that our economic relations and economic system have not yet been completely straightened out, and the new economic mechanisms have not yet been fully established, some problems and contradictions at the deeper level have not been tackled. For example, our industrial economic efficiency is still low, our economic structure is still irrational, and our economic circulation is not smooth enough. As far as our rural areas are concerned, the first prominent problem is that the position of agriculture as a foundation is not firm and its staying power for development is insufficient. The comparative efficiency of our agriculture is still low because input mechanisms (tou ru ji zhi 2121 0354 2623 0455), which are beneficial to sustained and stable economic development, have not yet been established in the national economy. The fact that agriculture is a weak link in our national economy, and that it is an unstable undertaking, cannot be changed in a short period of time. The second prominent problem is that in rural areas, the contradiction between population increase and the decline in cultivable land is very acute. Comparatively, our agricultural resources are insufficient, our sources of production are not big enough, and we have much surplus labor. These are some of the reasons contributing to slow rural economic development. The third prominent problem is that under the condition of separate household management and due to

the fact that the socialized service system and the new organization system of production operations are not perfect, we lack an effective link between our separate production and the big socialized market. The fourth problem is that although market regulation is playing an increasing role, peasants still find it difficult to buy and sell and fail to increase despite production growth because of impeded circulation, imperfect market systems, and an imperfect system of macroscopic control and regulation by the state. All this has adversely affected peasants' enthusiasm for production. All these problems are closely connected with the fact that the new and old systems have not been coordinated and that our economic relations have not yet been straightened out. If we fail to find a solution in further deepening reform, a more difficult situation might possibly occur in our rural economic development.

In a word, the development of the situation demands that we speed up the pace of rural reform and increase its weight. At present, the central authorities have defined the direction for tasks deepening reform. With further improvement of our agriculture and national economy, the favorable factors supporting rural reform will increase continuously. In our province, conditions also exist for making a new step in rural reform. The vast number of cadres and masses in the whole province should have a full confidence in this.

#### **Addresses Public Security Meeting**

*HK1212025391 Chengdu Sichuan People's Radio  
Network in Mandarin 2300 GMT 7 Dec 91*

[Text] Yang Rudai, provincial party committee secretary, delivered an important speech on resisting and opposing peaceful evolution, safeguarding social stability, and strengthening public security work at the 17th provincial public security work conference, convened yesterday afternoon [7 December].

Comrade Yang Rudai said: The 1990's is a crucial period for our country's socialist modernization. During this period, we must attain the second-stage strategic goal forwarded by the Central Committee, greet the arrival of the 21st century, and maintain sustained national and social stability. These are important tasks. We must, first and foremost, acquire a clear understanding of the current situation and continue to regard stability maintenance work as an overriding priority.

Comrade Yang Rudai went on: Public security organs must bring into full play their own functions and roles, conscientiously study and carry out work, and continually adhere to the principle of combining public security work with reliance on the masses. Party committees at all levels must further strengthen their leadership over, attach great importance to, and undertake clear-cut responsibility for public security work as well as improve the examination of and supervision over public security work.

In the afternoon, Governor Zhang Haoruo delivered a speech at the 17th provincial public security work conference. In his speech, Zhang expressed the hope that all comrades working on the public security front will conscientiously implement and correctly comprehend various decisions made by the central authorities, acquire a clear understanding of the current situation, carry forward the fine tradition of hard work and plain living, and resolutely safeguard social stability. Zhang also called on governments at all levels to show concern and support for public security work and give full scope to the public security organs' functions and roles.

#### **Sichuan 'Spark Program' Trains Young Farmers**

OW1112142091 Beijing XINHUA in English  
1338 GMT 11 Dec 91

[Text] Chengdu, December 11 (XINHUA)—Southwest China's Sichuan Province has trained 100,000 young farmers during the implementation of the "Spark Program".

The local departments concerned have helped them get loans and production development funds totalling 15.72 million yuan, and set up 2,110 technical demonstration bases.

These young farmers have promoted 143 new agricultural production technologies among more than two million other farmers.

Since the program started, at the end of 1988, the provincial departments concerned have allocated 400,000 yuan for the program and set up 7,500 service teams, which have provided more than 200,000 technology consultations, project appraisals and various items of service.

In addition, about 23,000 ha [hectares] of farmland have been changed into "two-thousand" farmland (1,000 kg of grain produced to earn 1,000 yuan).

#### **Agrotechnical Societies Boost Rural Economy**

OW1112113391 Beijing XINHUA in English  
1057 GMT 11 Dec 91

[Text] Beijing, December 11 (XINHUA)—About 18,000 specialized agrotechnical societies in the rural areas of southwest China's Sichuan Province have become a powerful force in boosting its rural economy.

These societies are playing an increasingly active role in making agricultural production specialized, commodity-oriented and modernized, according to today's GUANGMING DAILY [GUANGMING RIBAO].

Mainly constituted of agronomists and specialized households, these societies popularize scientific knowledge among farmers and give them advice in their production.

Two years after a farmers' society of zootechnics and veterinary science in Dujiangyan city spread scientific

know-how about pig raising, more than 90 percent of the pigs are crossbred and properly sold, the paper said.

Another society, the "Plant Protection Society of Nanbu County", which was founded in 1986, trained about 50,000 farmers and provided consultation 700,000 times every year. Their service covers more than 80 percent of the county's farm land and has saved crops from losses worth about 46.05 million yuan (about 8.86 million U.S. dollars).

In addition, these societies provided an arena for those urban technical staff members who previously had no sufficient places to display their art, according to the paper.

Zhai Wenrong, a senior agronomist of Wenjiang County, had finished 10 scientific study topics such as "The Experiment and Research on Beekeeping in Cages" after he headed the county's Agriculture Society. He has been awarded many prizes for his scientific research and helped promote the county's beekeeping techniques to the nation's leading position.

The paper said these societies first appeared after the family contract responsibility system was introduced to the rural areas of the province in the late 1970s. With the local government's encouragement, they have close connections with local colleges and institutions.

#### **North Region**

#### **Xing Chongzhi Article Views Socialist Education**

SK1012022391 Shijiazhuang HEBEI RIBAO  
in Chinese 20 Oct 91 p 1

[By Xing Chongzhi, secretary of the Hebei provincial party committee: "Strengthen Leadership, Seek Actual Results, and Realistically Conduct Rural Socialist Ideological Education Successfully"]

[Text] Extensive and in-depth socialist ideological education is being conducted in rural areas throughout the province. In line with the demand of the Central Committee, the provincial party committee's general guiding ideology for this rural socialist ideological education is to base ourselves on education, keep our eyes on construction, and carry out the work until the objective is attained. To base ourselves on education means that we must persist in taking ideological education as the main line, promote all sorts of practical work, and enhance the socialist awareness of the broad masses of cadres. To keep eyes on construction means that we should do a good job in building the grass-roots organizations with party branches as the core, the socialized service system with dual-management system as the basis, and the spiritual civilization with the enhancement of the ideological and moral quality of the masses as the main aspect. To implement the work until the objective is attained means that all socialist ideological education work should be implemented so as to attain the objectives of consolidating the socialist front and achieving a 100-percent increase so as to become comparatively



well-off. In doing this, we should transfer one-third of our cadres annually to conduct socialist ideological education in one-third of our villages by stages and in groups, and advance the work gradually. Not long ago, Comrade Jiang Zemin came to our province to inspect our work, affirmed the idea and the method of the provincial party committee, and expressed hope that party committees at all levels would strengthen leadership, seek actual results, and guard against going through the motions. We should conscientiously implement the guidelines of the directive of Comrade Jiang Zemin, work in a down-to-earth manner, and comprehensively fulfill all rural socialist ideological educational tasks.

We should persist in attaining high standards and strictly guard against going through the motions. This guiding ideology should be implemented in the whole course of the socialist ideological education. During each and every stage of socialist ideological education, we should attain the set requirements, and should not lower the standards. It is necessary to firmly grasp each and every link, and not slacken our efforts to the slightest degree. How to attain a high standard in socialist ideological education? Generally speaking, we should comprehensively fulfill all tasks put forward by the central authorities and the provincial party committee. Speaking specifically, we should attain the following six requirements: First, the confused understanding of the masses of cadres must be clarified, and their socialist conviction must be strengthened noticeably; second, party branches must realistically display their core and leadership role, the villagers' committees and other village-level organizations must carry out their work in an orderly and effective manner; third, the services badly needed by peasants must be carried out realistically, the contract and collective accumulation systems of all trades must be improved, and the dual-management system must be basically formed; fourth, the heated problems to which the masses show strong reactions must be solved; fifth, an effective way of making the people rich must be found and feasible development plans must be formulated; and sixth, the unhealthy trends and evil practices must be checked and the public security situation must be improved noticeably. The aforementioned six requirements should be implemented in the whole province. Each and every county, city, township, town, and village should set specific standards according to their actual conditions. Meanwhile, we should also set demands for each stage. It is necessary to conduct strict investigations and acceptance tests. Those that cannot reach the standards must take remedial measures, and those that go through the motions must carry out the work again. We must not carry out the work hurriedly at the expense of quality.

The key to meeting standards and not going through the motions in rural socialist ideological education is to have a competent work team. The mental attitude and policy level of the work teams determine the success of every village in socialist ideological education. Party committees at all levels should strengthen management over work teams, establish an essential ideological and political work system, strictly carry out organizational activities, and strictly observe work discipline. The work

teams should pay attention to their self-improvement. Each and every work team member must enhance their sense of responsibility and mission, strive to promote the party's fine traditions and work style, conscientiously study the guidelines of relevant documents, strictly attend to policy limits, dare to touch and expose contradictions, and be good at solving the problems which the masses of rural cadres show strong reactions. Example is better than precept. We should use our own exemplary deeds to set examples for the masses of rural cadres, cultivate a good image among the masses, train and improve ourselves in socialist ideological educational work and practice, and make outstanding contributions to the party and the people.

Party committees at all levels should realistically assume leadership responsibility in rural socialist ideological education. The provincial party committee has decided that at present we must grasp two priorities well. The urban areas should give priority to grasping state-run large and medium-sized enterprises, and the rural areas should give priority to grasping socialist ideological education. The principal responsible comrades of prefectural and county party committees should concentrate energy on conducting socialist ideological education during this winter-spring period. The city party committee should also dispatch one responsible comrade to the rural areas to concentrate their energy on grasping socialist ideological education. Members of the socialist ideological educational leading group of the prefectural, city, and county party committees, in principle, should exert all-out efforts to grasp socialist ideological education. These leading cadres should go to selected units with the work teams, and try their best to stay in the selected units for a longer period of time so as to accomplish something. Provincial-level cadres at the department and bureau level joining the socialist ideological educational work team must persist in staying in the selected units. There are many contradictions lying ahead in this rural socialist ideological education; the different situations of various counties, cities, townships, towns, and villages make the tasks very arduous; and we lack experience in this regard. Therefore, we must pay special attention to assigning leading cadres to the selected units to help them carry out work. Leading cadres at all levels, particularly principal leading cadres, should conscientiously implement the method of combining general call with individual guidance, persist in staying in the selected units, do a good job in the selected units, and draw experience directly from them to guide the work of the entire area. Only by doing so can we achieve the expected results in this socialist ideological education, and greatly improve our leadership work style.

#### Addresses County Reform Forum

SK1012073291 Shijiazhuang HEBEI RIBAO  
in Chinese 26 Oct 91 p 1

[By correspondent Wang Lizhi (3769 4539 1807) and reporter Ge Xiquan (5514 6007 0538): "County Departments' Service to Grass-Roots Levels Means Reform and Reform Should Serve Economic Construction"]



[Text] The provincial party committee held an on-the-spot forum in Jixian County from 22 to 23 October on reform of county departments. Xing Chongzhi, secretary, and Li Bingliang, deputy secretary of the provincial party committee, attended and addressed the forum. Attending were responsible comrades of 15 county and city party committees, the Hengshui prefectural party committee, and provincial pertinent departments. Jixian County party committee and 10 other county and city party committees introduced their experiences at the forum. The participants also visited the Jixian County Chemical Fertilizer Service Center, the Pesticide Service Center, the Zhoucun Town Comprehensive Service Center, and other advanced units.

Over the past few years, some county and city economic and technological departments have carried out the reform focusing on organizing the coordinated service. By breaking down their functions, establishing entities, and extending their service to lower levels, they have formed service networks in the process of the reform to facilitate the development of their superior industries and regional economies. Participants at the forum particularly studied ways to deepen the reform of county departments and facilitate economic development.

Xing Chongzhi said in his speech: County departments' service to grass-roots levels means reform and they should have the courage to conduct reform. The county is a relatively independent economic unit with fairly complete functions. County economic departments play a very important role in rural economic work because they have direct ties with thousands upon thousands of households. The reform of county departments should be coordinated with the efforts to stabilize the rural household-based contract responsibility with remuneration linked to output, to improve the dual management system, and to gradually expand the collective economic strength. County departments should play a leading role in improving the socialized service system.

He said: Aiming at development, reform should also serve development. When conducting reform, county departments should proceed from and aim at improving the capacity for comprehensive agricultural production, to which the key is to apply advanced agricultural science and technology to every link of production and increase the scientific and technological content of farm products. The endeavor of developing agriculture through the application of science and technology can be accomplished only when we coordinate the efforts of higher and lower levels, with county economic and technological departments as the prop, township and village cooperative economic organizations as the foundation, and nongovernmental scientific and technical service organizations as the supplement and with the cooperation of colleges, universities, and secondary specialized schools. When a service charge is collected, we should collect only a small amount from the efficiency created by the service and use it particularly in improving the service capacity.

Xing Chongzhi urged leading comrades at all levels and at all departments to fully understand the necessity and urgency of the reform of county departments, to perform their work in a creative manner, to accelerate the reform, and to promote the development of the commodity economy in rural areas.

After summarizing the experiences of various localities, Li Bingliang said: As has been proven in practice, we should make great efforts to improve the socialized service system, regard it as an important measure for developing the commodity economy, and persistently attach importance to it if we are to achieve new development in rural reforms and gradually establish and improve the economic system and operation mechanism compatible with the development of the socialist planned commodity economy. The reform of county economic and technological departments focusing on organizing the coordinated service is an important part of the endeavor to improve the socialized service system. It is a must and also an undertaking with bright prospects because it is not only an important part of the economic reform but also a kind of political reform.

He said: The guiding principle for the reform of Hebei's county economic and technological departments is, based on the actual situation in the county economic development, to strengthen their function of service to agriculture, promote their ties with other service organizations, and play a leading role in improving the social service system. The focus of the reform is to organize the coordinated service in line with the changes in the production structure and develop the production organizations which make production, supply, and marketing a coordinated process. To attain this target, all localities should strengthen leadership, work in coordination, and extensively apply the successful experiences of advanced counties and cities.

Li Bingliang urged all prefectures, cities, and counties to do a good job in their pilot work and application of successful experiences. Every prefecture and city should pay particular attention to the pilot work of two or three counties or cities [shi 1579] and apply their experiences in large areas. After several years of effort, we should strive to extend the reform of county economic departments to the entire province and intensify it so that comprehensive service networks for all trades and professions that link thousands upon thousands of households and is participated in by all departments can be gradually established, with county economic departments as the prop, township and village cooperative economic organizations as the foundation, and nongovernmental service organizations as the supplement.

#### Attends Study Session

SK1012082891 Shijiazhuang HEBEI RIBAO  
in Chinese 29 Oct 91 p 1

[Text] From 23 to 28 October, the provincial party committee held a study session of some party-member professors of institutions of higher learning across the

province in Zhengding County to particularly study Comrade Jiang Zemin's speech delivered at a rally to mark the 70th anniversary of the founding of the CPC, the "party constitution," and the educational materials on domestic and foreign situations. Xing Chongzhi, secretary of the provincial party committee; Lu Chuanzan, deputy secretary of the provincial party committee; Chen Yujie, Li Haifeng, and Han Licheng, members of the Standing Committee of the provincial party committee; and Gu Erxiong, vice provincial governor, successively visited the participants of the study session, and respectively held forums to discuss how to strengthen confidence in opposing peaceful evolution, display the role of party-member professors in training socialist builders and successors, strengthen party building work as well as ideological and political work of institutions of higher learning, and promote our province's party building and economic construction.

A total of 30 party-member professors attended this study session. During study and discussion, the participants talked about their understanding, proposed suggestions, and freely aired their views in close connection with reality. They said: Although we are ordinary party members, we have to shoulder special, historic missions. In addition to serving as leaders in teaching, scientific research, and education, we should also serve as leaders in upholding the four cardinal principles, adhering to the socialist teaching orientation, and opposing peaceful evolution.

This morning, after listening to study reports given by the participants at the closing ceremony of the study session, Xing Chongzhi pointed out: Party members must have a firm communist conviction, and should set strict demands on themselves in line with the requirements for party members. Under the current new situation, the tasks facing us are glorious but arduous. We should overcome all difficulties, exert vigorous efforts to make the country prosperous, undergo self-imposed hardships so as to strengthen resolve to wipe out national humiliation, fear no hardships and difficulties, and dedicate ourselves selflessly to building socialism and realizing the lofty communist goal. Party-member professors should use their knowledge, ideology, and moral character to educate and influence the next generation, enhance their sense of urgency and responsibility, shoulder the historical mission of training socialist builders and successors, let the institutions of higher learning be firmly controlled by true Marxists, and train generations after generations of qualified successors of the Communist cause. Only thus, can we guarantee that our party and country will never change color, and that our country will always advance along a socialist orientation.

On behalf of the provincial party committee, Comrade Lu Chuanzan set forth six wishes for party-member professors in their future study and work: 1) Study theory and strengthen belief; 2) Strengthen training and party spirit; 3) Conscientiously engage in teaching and educate the people painstakingly; 4) Willingly serve as supporters and give guidance to new comers; 5) Strengthen unity and do a good job in cooperation; 6) Safeguard the overall situation and

support school work. Finally, he expressed hope that party-member professors would serve as models in safeguarding stability, and would strive to make contributions to running the socialist universities well and invigorating the economy of Hebei.

#### Views Rural Socialist Education

SK1012072991 Shijiazhuang HEBEI RIBAO  
in Chinese 25 Oct 91 p 1

[By correspondent Wang Lizhi (3769 4539 1807) and reporter Ge Xiquan (5514 6007 0538): "Rural Socialist Education Should Have a New Beginning"]

[Excerpt] At present, rural socialist education has spread from selected points to all rural areas of the province. How should we ensure a good beginning of the rural socialist education? On the morning of 24 October in Jixian County, Xing Chongzhi, secretary of the provincial party committee, and Li Bingliang, deputy secretary of the provincial party committee, had a talk with principal responsible comrades of the Hengshui prefectural party committee, and party committees of 14 counties and cities in the province. After hearing the reports made by the Hengshui prefectural party committee and by party committees of Weixian, Xinji, and four other counties and cities, Xing Chongzhi emphasized that we should regard the endeavor of promoting rural economic development and consolidating the rural socialist front as the starting point and the ending point of socialist education; and should, in particular, pay attention to solving the major problems hampering rural economic development from beginning to end in order to create a fine condition for rural economic development. Only when the economy is developed and the countryside prosperous can we truly manifest the superiority of socialism and enhance the peasants' confidence in socialism. Through socialist education, party and government organs at all levels should strengthen self-construction and enhance the sense of serving the people with a view to effecting a fundamental change in party style and social atmosphere. [passage omitted]

#### Inspects Hebei Factories

SK1112085891 Shijiazhuang HEBEI RIBAO  
in Chinese 2 Nov 91 p 1

[Text] On 2 November, Xing Chongzhi, secretary of the provincial party committee, inspected the Shijiazhuang Paper Mill and the Shijiazhuang Vehicle Manufacturing Plant; and fully affirmed their achievements in readjusting the product mix and increasing economic results. He said: At present, the central authorities as well as the localities have laid stress on improving state-owned large and medium-sized enterprises, and also set forth definite and specific policies and measures. This is a very good opportunity. Therefore, enterprises must grasp this opportunity, do solid work, and strive to make noticeable achievements in this regard.



Xing Chongzhi said: Enterprises should fully use the existing policies, carry forward the spirit of arduous struggle; focus their efforts on increasing economic results; and work in a down-to-earth manner to promote technological progress, strengthen internal management, upgrade the quality of products, and develop new products. Enterprises should try every possible means to gain the ability to make new products so as to effectively occupy markets. Only by so doing will enterprises be vitalized. Leading organs and functional departments at various levels should implement various measures for improving state-owned large and medium-sized enterprises; realistically improve work style; determinedly overcome the phenomena of shifting responsibility onto others, disputing over trifles, and having low work efficiency; and make concrete efforts to handle affairs for and provide service for enterprises. Xing Chongzhi pointed out: It is necessary to persist continuously in the effective methods of a policy for a plant, of discussing affairs one after another, and of solving practical problems on the spot. Simultaneously, we should further pay attention to avoid practicing formalism. The affairs that have been decided by leaders must be accomplished.

During the inspections, Xing Chongzhi also exchanged views with responsible persons of enterprises in terms of the experiences and lessons that should be summed up and drawn in the course of conducting reforms and making developments.

#### **Inspects Gaocheng Education Work**

SK1212072591 Shijiazhuang HEBEI RIBAO  
in Chinese 6 Nov 91 p 1

[Text] On 4 November, Xing Chongzhi, secretary of the provincial party committee, went to Gaocheng to understand rural socialist educational situation, held talks with socialist educational work teams in Tushan village and comrades of the village party branch, and touched on his views of how to successfully carry out socialist educational work.

Xing Chongzhi pointed out: The purpose of socialist education is to push the rural economy forward and to do a good job in building the two civilizations. In the whole course of socialist education, we should take this as a starting point and a resting point, realistically solve the major problems hindering the development of the rural economy and the building of the two civilizations, mobilize the enthusiasm of the broad masses of cadres, and create conditions for promoting rural economy and comprehensive social progress. We should pay attention to conducting ideological education, building organizations, improving the dual-management system, and strengthening socialized service in the course of socialist education and should grasp it until good results are achieved. In specific work, we may generally classify the tasks in several stages. However, we must pay attention to suiting measures to local conditions and doing everything for the purpose of solving major problems, and must not set rigid stipulations.

Xing Chongzhi stressed: To do a good job in socialist education, we must consider strengthening the building of rural party branches as a primary breakthrough point and implement it in the whole course of socialist education. He said: Judging from the actual situation, the problems which a village must solve, no matter whether it is a good village, a general one, or a backward one, have a direct or indirect relation with the work of party branches; even though some problems are reflected by the masses, the party branches should also assume leadership responsibility. As long as the work of party branches is strengthened, and party members and cadres have realistically fostered a good ideology and work style of serving the people, other problems in villages can be solved easily. Therefore, to conduct socialist education, we must first pay attention to grasping party branches. To educate the masses, we must educate party members and cadres first. Certainly, starting the work among party branches first does not imply the consolidation of village cadres. Instead, we should organize party members to study the party constitution and the party's line, principles, and policies; enhance their ideological awareness; and induce them to sum up their work, and to review conscientiously the things which the party branches have done for the people since the third plenary session of the 11th Central Committee, and their experiences; to review things which should be managed, but have not been managed or managed well, and things about which the masses still have complaints, and the experience from which they must draw; to review the existing problems of cadres and to find ways to solve them, and so forth. It is necessary to conscientiously conduct criticism and self-criticism, and enhance devotion to one's work, the sense of responsibility and the concept of serving the people. Based on this, we should formulate rectification measures and future development plans, promulgate them to the public, mobilize the masses to discuss them and to offer suggestions, and enable the masses to have greater trust in the party branches and cadres, to know the plans fairly well, to have a clear understanding of the objectives, and to carry out reform and develop the economy with united effort.

Xing Chongzhi said: Regarding the education of the masses, we should keep our eyes on improving the quality of laborers, and carry out the work from various aspects. It is necessary to pay attention to the actual situation, purposefully solve the confused ideology and understanding of the masses, and strengthen the socialist conviction of the broad masses of people; we should adopt feasible measures and enhance their scientific and cultural level. We should regard the education of youth as a priority. On the one hand, through ideological education, we should have them foster an ideology of cherishing the party, the country, and socialism, and enhance their ideology of observing discipline and law; on the other hand, through the running of vocational schools, short-term training courses, and seminars on technology, we should strive to enable them to master one or two practical technologies, and to raise their skills of becoming prosperous. Regarding some unhealthy practices among youths, we should strive to check them and



persuade youths not to engage in these practices and combine checking with persuasion and emphasize the latter. For example, every village may develop one activity center, and one cultural and recreation center for party members, Communist Youth League members, youths, women, and militia in line with its conditions. In addition to organizing them to study in a planned manner, we should also help them carry out cultural and sports activities that suit the characteristics of youths and are good for their bodies and minds in a well-organized manner. By so doing, we can not only enable a healthy and profitable cultural life to occupy the rural front but can also replenish the spiritual life of youths and reduce the unhealthy phenomena of law and discipline violations.

Xing Chongzhi also called for efforts to combine rural socialist education with the changing work styles of organs at a higher level. Socialist education work team should pay attention to hearing the masses' opinions on leading organs at a higher level and functional departments and feed back their opinions to the higher levels in a timely manner; organs at a higher level and relevant departments should conscientiously study these and strive to seek improvements.

**Hebei CPPCC Standing Committee Meeting Ends**  
*SK1112065591 Shijiazhuang HEBEI RIBAO*  
*in Chinese 1 Nov 91 p 1*

[By reporter Zheng Guizhen (6774 2710 3791): "The Sixth Hebei Provincial CPPCC Committee Holds 16th Standing Committee Meeting"]

[Excerpts] After three days in session, the 16th Standing Committee meeting of the sixth provincial committee of the Chinese People's Political Consultative Conference [CPPCC] ended in Shijiazhuang on the afternoon of 31 October.

Li Wenshan, chairman of the provincial CPPCC Committee, relayed the guidelines of the (enlarged) Standing Committee meeting of the Hebei Provincial CPC Committee. [passage omitted]

At the meeting, the participants heard a report on conducting socialist education in the rural areas, delivered by Han Licheng, Standing Committee member of the provincial party committee and director of the Propaganda Department of the provincial party committee; and a report on agricultural production this year, made by Zhang Runshen, vice governor of the provincial government.

Present at the meeting were Xu Chunxing, Wang Zuwu, Du Jingyi, Wang Enduo, Ma Xinyun, Zhang Ruolin, Chen Lintang, Liu Zongyao, Wang Shusen, Huang Feng, and Yu Zhenzhong, vice chairmen of the provincial CPPCC Committee; and Wang Qin, secretary general of the provincial CPPCC Committee. Yin Zhe, president of the Federation of the Friends of the CPPCC, was also invited to attend the meeting.

Standing Committee members participating in the meeting set forth good opinions and suggestions on improving state-owned large and medium-sized enterprises, agricultural production, and education on socialism in rural areas.

Through examination and discussion, the meeting approved "the Regulations on Motions Work of the Provincial CPPCC Committee," "the Regulations on the Pilot Work of the Prefectural Work Committees Under the Provincial CPPCC Committee," and the decision on changing the name of "the Social Legal System Committee of the provincial CPPCC Committee" to "the Social Legal System, Nationality, and Religion Committee."

Entrusted by the meeting of the chairman and vice chairmen of the provincial CPPCC Committee, Xu Chunxing, vice chairman of the provincial CPPCC Committee, made an explanation of personnel appointments and removals, including the secretary general of the provincial CPPCC Committee and some leading personnel of work organs. He said: The meeting of the chairman and vice chairmen of the provincial CPPCC Committee approved Wang Qin's application to resign his position as secretary general of the provincial CPPCC Committee because he is 65 years old, and also expressed satisfaction at his work performance during his term of office.

By secret ballot, the meeting elected Li Wenzao [2621 2429 5679] as an additional member of the sixth provincial CPPCC Committee. Through consultation, the meeting also appointed Li Wenzao as deputy secretary general and acting secretary general of the provincial CPPCC Committee. The meeting approved items on personnel appointments and removals. [passage omitted]

**Personnel Changes Announced**

*SK1112073191 Shijiazhuang HEBEI RIBAO*  
*in Chinese 1 Nov 91 p 4*

[Namelist of personnel appointments and removals adopted at the 16th Standing Committee meeting of the Sixth Hebei Provincial CPPCC Committee, 31 October 1991]

[Text] Li Wenzao [2621 2429 5679] is appointed deputy secretary general and acting secretary general of the provincial Chinese People's Political Consultative Conference [CPPCC] Committee.

Yan Enrong [7051 1869 2837] is appointed deputy secretary general of the provincial CPPCC Committee and concurrently vice chairman of the Educational, Scientific, Cultural, and Public Health Committee of the provincial CPPCC Committee.

Han Jiemin [7281 0094 3046] is appointed vice chairman of the General Office of the provincial CPPCC Committee.

Jiang Zhigang [5592 1807 0474] is appointed vice chairman of the Study Committee of the provincial CPPCC Committee.

Ju Zhiqiang [7263 1807 1730] is appointed vice chairman of the Social Legal System, Nationality, and Religion Committee of the provincial CPPCC Committee [concurrently].

**Hebei Conference Discusses Narcotics, Smuggling**  
*SK1212070291 Shijiazhuang HEBEI RIBAO*  
*in Chinese 5 Nov 91 p 1*

[By reporters Sun Yuehui (1327 6460 2547) and Luo Zhenxu (1236 3791 7312): "Hebei Province Holds Work Conference on Banning Narcotics and Attacking Smuggling"]

[Text] From 3-4 November, the provincial government held a work conference in Zhengding County on banning narcotics and attacking smuggling. The conference relayed the guidelines of the national work conference on banning narcotics and attacking smuggling; and studied and arranged the tasks for banning narcotics and attacking smuggling.

Song Shuhua, vice governor of the provincial government, made a speech at the conference. He pointed out: Our province has made proper achievements in waging the struggle against narcotics and smuggling. However, the current situation is extremely grim. Leaders of governments at various levels and the departments concerned must ideologically pay attention to this work, and adopt effective measures to stop narcotics from spreading unchecked and smuggling activities from become more rampant with each passing day. He said: Banning narcotics and attacking smuggling is complicated, difficult work concerning policies, and all units and areas should be engaged in it. It will be difficult to achieve if we only rely on the efforts of responsible organs. Under the unified leadership of party committees and governments at various levels, we should mobilize all social forces; rely on the positive cooperation of all departments concerned; persist in the principle of stopping the planting of opium poppies, trafficking in narcotics, and the taking of drugs; carry out the program for launching a general war of "arresting drug traffickers on the sea, stopping drug trafficking at ports, checking drug trafficking and abuse on land, and strengthening market management;" strengthen leadership; work in close cooperation with each other; and deeply wage the province-wide struggle against narcotics and smuggling.

He urged: In the struggle against narcotics and smuggling, we must persist in the principle of strictly handling cases according to law; be sure to abide by laws, strictly enforce laws, and investigate law-breakers; and strictly ban the practice of replacing penalties by imposing fines. So far, the province should focus narcotics prohibition work on attacking trafficking in narcotics, and be sure to stop all narcotics trafficking cases. We must ban the illegal planting of opium poppies, and resolutely and thoroughly eliminate the sources of narcotics. In the struggle against smuggling, we should concentrate efforts on investigations and ensure that criminal offenders are

not at large. In investigating and handling major and appalling cases, we should persist in principles, handle cases according to law, and strictly punish those who bend the law to shield their relatives and friends in the course of handling cases. We should grasp the two links of "investigating smuggling on land and strengthening market management." The coastal prefectures and cities should pay attention to the work of "stopping smuggling activities at ports." We should strictly investigate and handle all unlawful goods, resolutely ban both the public and private trade of smuggled goods, thoroughly break the transportation and marketing channels of smuggled goods, and ensure smooth progress for the province-wide struggle for banning narcotics and attacking smuggling.

**Hebei Registers Lowest Unemployment Rate**  
*SK1112073491 Shijiazhuang HEBEI RIBAO*  
*in Chinese 1 Nov 91 p 1*

[By reporters Tan Shuying (2905 3219 5391) and He Yixing (6320 5030 5281): "Hebei Province Arranges Jobs for 1.65 Million People"]

[Summary] The provincial employment work and commendation meeting concluded a few days ago. During the Seventh Five-Year Plan, the province made noticeable achievements in arranging jobs for the people waiting for jobs, and registered the lowest unemployment rate in China. The provincial government therefore commended 20 city, district, and county governments; and the provincial Labor Department commended 25 units, 21 collectives, and 20 individuals advanced in arranging jobs for people waiting for jobs.

During the Seventh Five-Year Plan, the province arranged jobs for 1.65 million people, an increase of 200,000 people over the Sixth Five-Year Plan. Of the people waiting for jobs in the urban areas, 60.77 percent were employed.

**Increases Employment Opportunities**  
*OW1212103591 Beijing XINHUA in English*  
*0919 GMT 12 Dec 91*

[Text] Shijiazhuang, December 12 (XINHUA)—North China's Hebei Province employed over 6.67 million urban people by the end of 1990, a 23.7 percent increase over 1984 and registering an annual increase rate of 3.6 percent during the 1984-1990 period.

This showed that employment opportunities for urban citizens in the province increased with development of the urban economy.

Tertiary trades which were once neglected by urban people in the past developed rapidly in the province. In 1990, the number of people engaged in real estate and consultative industries in Hebei was 2.5 times the figure for 1984. People working in finance, insurance and other sectors increased by 44.8 percent compared with 1984. People working in cultural, educational, sport, public

health, television and broadcasting departments increased by 28 percent during the period.

Meanwhile, more employment choices offered more employment opportunities for women. By the end of 1990, women working in state-owned, collectively-owned and other ownership enterprises stood at roughly 2.24 million, up 82.7 percent compared with 1978, registering an annual increase rate of 5.2 percent between 1978 and 1990.

### Hebei Cadres To Conduct Socialist Education

SK0912075891 Shijiazhuang HEBEI RIBAO  
in Chinese 18 Oct 91 p 1

[Text] In line with the provincial party committee's arrangements of "sending one-third of the cadres of departments at all levels to participate in rural socialist ideological education beginning this year," rural socialist ideological education has been launched in one-third of the rural areas of the province. So far, the transfer, organization, and dispatch of more than 85,000 office cadres to be sent in the first group have by and large been completed. After training, the work teams have been stationed in more than 17,000 administrative villages throughout the province.

It took merely one month for the province to transfer the cadres and organize the work teams. Leading persons attached great importance to this work. The departments directly under the province also sent more than 1,970 cadres. Hu Zhenguo, secretary of the Chengde prefectural party committee, and five responsible comrades of the prefectural party committee and commissioner's office took the lead in joining the first group to conduct socialist ideological education. To ensure the quality of the work teams, the Handan prefectural party committee worked to make sure that all the personnel to be sent were participating, leading cadres were assigned, and party members accounted for more than 60 percent. After ascertaining the number of cadres, some localities worked out three-year plans for sending cadres to participate in the rural socialist ideological education group after group in different stages.

The work teams for the current socialist ideological education have the following characteristics. First, the overall structure is rational. The work teams have cadres of provincial, prefectural (city) and county departments; cadres of party, government, economic, and scientific and technological departments; and old, middle-aged, and young cadres. Second, leading cadres, party and Communist Youth League members, and backbone work personnel account for a large proportion. According to statistics, among the 85,000 team members, 169 are cadres at the prefectural and departmental level, more than 3,400 are cadres at the county and division level, more than 26,000 are cadres at the section level, and more than 56,000 are party members. Third, members of the work teams have a good mental outlook and many of the comrades voluntarily applied for participation. No matter whether they are young cadres full of youthful spirit, veteran comrades with rich experiences,

or mothers with children, many of them took the initiative in overcoming difficulties and showed very high political enthusiasm. The work teams composed of such cadres provided a strong organizational guarantee for achieving success in the socialist ideological education.

### 'Comprehensive Agricultural Development' Successful

SK1112073691 Shijiazhuang HEBEI RIBAO  
in Chinese 28 Oct 91 p 1

[By correspondent Zhang Zhuzai (1728 0145 1341) and reporter Yang Weili (2799 1218 0500): "The Province's Comprehensive Agricultural Development Witnesses Marked Results"]

[Text] Marked results have been achieved in the three major projects of the province's comprehensive agricultural development, called the "projects of hope" by the vast number of peasants. Over the past three years, the total investment in these projects has reached 1.062 billion yuan, more than 6.8 million mu of low and medium-yield fields have been transformed; the grain, cotton, oil-bearing seeds, and meat output has increased by 1.352 billion kg (in terms of grain); and the annual average per-capita income of peasants in the development zone has increased by about 100 yuan.

Since the implementation of comprehensive agricultural development in 1988, leaders at all levels and the vast number of peasants in the province have made concerted efforts to carry out comprehensive agricultural development by regarding it as an important measure to push agriculture to a new stage and to make peasants cast off poverty and become prosperous. The development zone has sunk or repaired 37,000 shallow wells, laid more than 100 million meters of impermeable underground water pipelines, transformed more than 6.8 million mu of low and medium-yield fields, reclaimed 391,000 mu of waste land suitable for farming, built 540,000 mu of shelter-forest on farmland, built or improved 796,000 mu of grasslands, and increased and improved 6.164 million mu of irrigated land. Over the past year, since the implementation of the ecological agricultural engineering projects in the upland areas, 87,000 mu of irrigated land, 67,000 mu of afforested land, and 69,000 mu of grassland have been newly built. The agricultural projects utilizing foreign funds have been carried out by stages along the valleys of Nanyun He, Ziya He, Daqing He, Yongding He, Chaobai He, and Luan He as well as in the Heilonggang area, Taihang Shan, and the plain in front of Yan Shan. Now, a total of 78.8 million cubic meters of earth, stone, and concrete work have been completed; 2,225 specialized breeding households have been supported; and 15,000 mu of shrimp ponds have been built or rebuilt. It is estimated that the per-mu wheat output of the transformed low and medium-yield fields has increased by 100 kg, the per-mu wheat output of the fields changed from dry to irrigated land has increased by 150 kg, the per-mu paddy output of the land reclaimed from waste land has increased by 350 to 400 kg, the per-mu cotton output has increased by 25 kg, and the per-mu yield of oil bearing seeds has increased by 100 kg.



### **World Bank Loans Used To Fight Tuberculosis**

*SK1212072991 Shijiazhuang HEBEI RIBAO  
in Chinese 8 Nov 91 p 1*

[By Ji Weifang (0370 5898 7089): "World Bank Advisers and World Health Organization Officials Inspect Hebei's Pilot Counties That Use Loans To Control Tuberculosis"]

[Text] Advisers of the World Bank and officials of the World Health Organization recently inspected Hebei's Pingquan and four other counties selected to experiment with tuberculosis control projects funded by World Bank loans. After the inspection, they held that the counties, whose experiment was successful and results were outstanding, could be designated as the training bases for the provinces implementing tuberculosis control projects throughout the country.

Hebei's tuberculosis epidemic is very serious. It has more than 360,000 tuberculosis patients, of whom more than 80,000 are tested positive with tubercle bacillus in their phlegm. As the source of infection, these patients will pose a direct threat to the health of nearby people.

### **Hebei To Establish Four 'Nature Reserves'**

*OW1212103391 Beijing XINHUA in English  
0901 GMT 12 Dec 91*

[Text] Shijiazhuang, December 12 (XINHUA)—The Hebei Provincial Environmental Protection Committee has announced that the province will set up four nature reserves in the area of Mt. Taihang and along the coast of the Bohai Sea.

The reserves will protect primeval forest resources, rare animals and birds.

The state-listed Mt. Wuling Nature Reserve will be located in Xinglong County of the north China province. Covering an area of 16,793 ha [hectares], this reserve boasts a rich primeval forest, macaques and other rare animals. It is going to be administered by the Forestry Ministry and Hebei Province.

The Golden Coastal Nature Reserve on the Bohai Sea in Changli County is another state-listed nature reserve. Covering 300 sq km, some 208.5 sq km are sea area. Dunes and rare lancelets will be protected in this area.

The other two reserves are the little Mt. Wutai Nature Reserve and the Beidaihe Nature Reserve.

The former is a high peak in the northern part of Mt. Taihang. Dense forest resources and rare brown-eared pheasants will be protected there. Some 22,573 ha of protection area has been mapped out so far.

The Beidaihe reserve, a habitat for migrant birds, is located at the mouth of the Beidaihe River, covering 1.5 sq km. The place is rich in fresh water resources, plankton and aquatic products. In the late autumn to early winter each year it attracts hundreds of thousands of migrant birds.

### **Tianjin Cracks Down on Trademark Violations**

*OW1212015091 Beijing XINHUA in English  
0118 GMT 12 Dec 91*

[Text] Tianjin, December 12 (XINHUA)—Foreign companies' interests and rights are well protected in Tianjin, northern China's biggest port city.

This year the Tianjin Industrial and Commercial Administration has dealt with four cases of infringement upon the rights of foreign companies.

It has also sealed up or confiscated commodities worth 9.87 million yuan.

Last March, the Ferrero Rocher Company of Italy entrusted China Patent Agent (Hong Kong) Ltd to complain to the Tianjin Industrial and Commercial Administration about the unauthorized use of its trademark by Tianjin's Changyou Food Factory.

The administration found that the factory had violated the Italian company's trademark, which had been registered with the Trademark Bureau of China in 1986.

The administration confiscated the 775 boxes of chocolates which had already been produced, expunged Ferrero Rocher's symbol from the trademarks, burned the remaining trademarks and confiscated the printing plate. It also fined the company 150,000 yuan.

In another case, the Tianjin North Daily-Use Chemicals Factory, which produces detergents, used the name "Pledge," the registered trademark of a U.S. company as the name of its products.

Learning about this, the Hexi Industrial and Commercial Bureau of Tianjin ordered the factory to stop the violation, burned the trademarks on the spot, and imposed a fine.

**Association Established To Promote Contacts***OW1112143891 Beijing XINHUA in English  
1328 GMT 11 Dec 91*

[Text] Beijing, December 11 (XINHUA)—The Association for Relations Across the Taiwan Strait, a non-government organization, is to be set up on the Chinese mainland.

Composed of people from all walks of life, the association aims to promote contacts between the two peoples separated by the Strait and the peaceful reunification of the motherland.

The inaugural meeting of the association is to be held December 16 in Beijing.

**Shenzhen Arrests Taiwanese on Smuggling Charges***HK1112070991 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0947 GMT 10 Dec 91*

[Text] Shenzhen, 10 Dec (ZHONGGUO TONGXUN SHE)—Eight Taiwan men were arrested by the Shenzhen authorities the other day for suspected involvement in smuggling.

The Taiwan vessel "Longlianying No. 2" twice smuggled foreign cigarettes into the territory: 1,798 cases in the early hours of 19 October 1991, and 1,191 cases on 29 November 1991. On both occasions the smuggling attempts were halted by the Shenzhen police's border substation on the Dapengwan waters. The owner of the detained Taiwan vessel is one Hong Changfu of Hushi village, Penghu County, Taiwan Province. His seven accomplices are: Hong Xingrang, Hong Zhenqiong, Hong Tianshang, Cai Qingshui, Li Chungui, Zhang Dongzhen, and Cai Jindian.

It was reported that the vessel had been detained by the mainland authorities for smuggling on four other occasions.

**Deng Hongxun Meets Taiwan Businessmen in Hainan***HK1212020791 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1356 GMT 6 Dec 91*

[By reporter Lin Hua (2651 5478): "Deng Hongxun Meets with Taiwan Businessmen, Supports Hainan-Taiwan Cooperation and Exchange"]

[Text] Haikou, 6 Dec (ZHONGGUO XINWEN SHE)—Deng Hongxun, secretary of the CPC Hainan Provincial Committee, today met with representatives from dozens of Taiwan-funded enterprises here and gave his support for further exchanges and contacts between the two islands of Hainan and Taiwan. He also welcomed more Taiwan compatriots to Hainan for the purpose of jointly developing this second largest treasure island of the motherland.

This morning, laughter and cheers could be heard in the CPC Hainan Provincial Committee's hall as two huge signs which read: "CPC Hainan Provincial Committee's Taiwan Affairs Office" and the "Hainan Provincial

People's Government's Taiwan Affairs Office" were officially presented with the leaders in charge from Hainan Province and representatives of Taiwan businesses presiding over the presentation ceremony. Later, Li Yongchun, person in charge of Hainan Province's Taiwan Affairs Office, invited the Taiwan entrepreneurs to a symposium.

Deng Hongxun, secretary of the CPC Hainan Provincial Committee, rushed over to meet the guests. He said: As the two biggest treasure islands of China, Hainan and Taiwan share many similarities. Even though Hainan is relatively backward at the moment, it has taken the right path toward reform and opening up and its prospect is very optimistic.

Reports claimed that the Taiwan Affairs Office of Hainan Province is presently setting up a reception and information center for Taiwan compatriots around the province as well as a legal consultation and information center for Taiwan-funded enterprises. It will also convene a provincial work conference on Taiwan affairs next year.

**Commentary Chides Taiwan Financial Center Plans***HK1112052391 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0843 GMT 5 Dec 91*

["Commentary" by Shi Chuan (4258 1557)]

[Text] Hong Kong, 5 Dec (ZHONGGUO TONGXUN SHE)—Taiwan has long wanted to replace Hong Kong as the leading international financial center in Asia following 1997. It made no attempt to conceal this goal when it announced plans to set up an offshore financial market in July 1982. Since then, the establishment of an international financial center in the 1990's has become the objective of successive "cabinets" in Taiwan, while support from the public has also been relentless.

However, it is the view of analysts that Taiwan cannot take over Hong Kong's role as an international financial center.

In terms of economics, Taiwan's economic growth in recent years has been fairly rapid and its economic might rather strong. In 1987, it lifted foreign exchange controls and introduced the foreign exchange liberalization. A free foreign exchange market opened the way for the entry of overseas financial institutions into the Taiwan market. This not only helped expand the scope of Taiwan's financial markets and brought in new financial techniques, it also triggered the growth of the island's banking industry. In the last 2 years, the Taiwan authorities have actively pushed for the internationalization of the NT [new Taiwan] dollar. Fifteen new banks from the island were granted permission to set up overseas offices. Plans are currently going on for the establishment of a Taipei futures markets, gold market, and international foreign exchange market. At the end of last year, the Central Bank announced the building of Taiwan's "Wall Street" in Taipei's Hsinyi district, that is, the construction of an international financial building. Given the

high-profile participation of the Taiwan authorities, other regions can only sigh in exasperation over their own ambitions.

But a number of difficult problems exist for the attempt to build Taiwan into an international financial center. For instance, an ambiguous political future. Since the 1970's, Taiwan has suffered a string of diplomatic setbacks, while the "flexible diplomacy" or "pragmatic diplomacy" which it has pursued intensely in recent years reached no significant breakthroughs. Second, its financial market remains relatively small-scale. As Taiwan initiated reform of its financial system only in the mid-1980's, the development of its financial market has still some lengths to go in terms of quantity when compared with other financial centers. In 1989, London's offshore financial market boasted assets worth \$1 trillion, Tokyo \$400 billion, Hong Kong \$300 billion, Singapore \$200 billion, while Taiwan had a mere \$10 billion. The difference is very big. Furthermore, it suffers from a lack of professional personnel and backward

financial instruments and transaction techniques; telephone and facsimile are the sole means of communication. Finally, Taiwan has no visible hinterland to which it can offer its financial services. London and Zurich have the European continent as the principal target of their services, New York has North America, Tokyo has East Asia, Singapore has Southeast Asia, and Hong Kong has the Chinese mainland. Taiwan has yet to find a hinterland for its market. Moreover, as Taiwan is situated in the same region as Hong Kong, Singapore, and Tokyo, it enjoys no particular advantage in terms of time zone.

It can be forecast that in the race to become the international financial center of the 1990's, Taiwan cannot compete with the leading financial centers of Asia much less take Hong Kong's place. However, as cross-strait relations improve, the possibility of Taiwan becoming a financial "sub-center" in the Asian region by the end of the 1990's cannot be ruled out.



**Executive Yuan Demands Action on Election Rules**

OW1212090891 Taipei CNA in English 0821 GMT  
12 Dec 91

[Text] Taipei, Dec. 12 (CNA)—The Executive Yuan issued a decree Wednesday demanding that county and city election committees "immediately correct" their election bulletins which have "law-violating and rule-breaking" contents.

The Executive Yuan or central government threatened to "punish" the county and city government chiefs who fail to "obey orders from above."

Six counties and cities led by opposition magistrates and mayors have ignored a provincial Election Committee ban on printing pro-Taiwan independence platforms in the election bulletins.

The six are Taipei, Kaohsiung, Changhua, Pingtung and Ilan Counties and Chiayi city.

The Central Election Committee (CEC) asked the provincial committee to demand that the six local election committees recall or reprint their election bulletins containing pro-independence political views.

Lin Feng-cheng, secretary general of the provincial committee, said he received a CEC instruction at 6 p.m. asking him to demand that the six local election committees take corrective action about their law-breaking bulletins.

The CEC instruction stated that higher-level election committees are empowered to "command" lower-level election committees.

The CEC also quoted the Government Service Law as saying that subordinate officials are obliged to execute orders issued by a superior.

Therefore, Lin said, the county and city election committees must obey orders from the CEC forwarded by the provincial committee.

Lin urgently summoned the secretaries general of the six county and city election committees to Taichung, the provincial government seat, to discuss the matter.

"The government will never allow its funds to be used to print pro-independence ideas in the election bulletins," Lin affirmed.

In Changhua County, some bulletins have already been distributed to towns and villages. The provincial Election Committee has ordered them recalled and reprinted.

At the Legislative Yuan, the Taiwan High Court's chief prosecutor Chen Han was pressed to answer how he will deal with the reported law-violations by the six local government chiefs.

Chen said the prosecution will "deal with it according to the law."

**SEF Chairman Welcomes New Mainland Association**

OW1212084391 Taipei CNA in English 0751 GMT  
12 Dec 91

[Text] Taipei, Dec. 12 (CNA)—The Straits Exchange Foundation (SEF) learned Wednesday that Peking will set up a SEF counterpart on Dec. 16.

SEF officials said the counterpart, to be named the Association for Relations Across the Taiwan Strait, will be devoted to developing relations and expanding exchanges across the Strait.

SEF Chairman Koo Chen-fu welcomed the Peking move, and expressed his hope that the association will act in good faith in handling the problems that result from the exchanges of people between the two sides of the Strait.

**Official Discusses Mainland Journalist Visits**

OW1212084991 Taipei CNA in English 0811 GMT  
12 Dec 91

[Text] Taipei, Dec. 12 (CNA)—A Mainland Affairs Council (MAC) official said Wednesday that mainland journalists who want to visit here will have to abide by the current rules and regulations.

Kung Peng-cheng, MAC's director of cultural and educational affairs, said the current rules call for the local news media to send invitation letters to mainland journalists or they apply to ROC's [Republic of China] overseas offices before coming to Taiwan.

Kung's remarks came after the Straits Exchange Foundation (SEF), a civilian group set up to handle exchanges between the Taiwan Strait, revealed that it is planning to invite 25 mainland journalists to visit here next January.

Kung stressed that the government's attitude toward the visit of the mainland journalists is clear: They are welcome, but their visits are still subject to current regulations.

Government Spokesman Hu Chih-chiang also said that it is not fitting for SEF to invite them under current rules.

SEF's Chairman Koo Chen-fu said, however, SEF has taken the initiative to invite the mainland journalists in order to promote exchanges between the two sides of the Taiwan Strait, but it will not insist on being the sponsor of their trips.

A legislator expressed concern about the matter in an interpellation Wednesday.

Legislator Chen Kui-sen criticized the government's move to shelve the SEF's plan to invite the mainland journalists.

Chen noted that President Li Teng-hui had said last month that cultural exchanges between the Taiwan Strait will be given a top priority.

He said that inviting mainland journalists here will promote their understanding of Taiwan. The government should not be confined by the current rules and thus reject the SEF's plan.

#### **Editorial Backs Bush on 'Isolationism' Issue**

OW1112151391 Taipei CNA in English 1403 GMT  
11 Dec 91

[Text] Taipei, Dec. 11 (CNA)—The following editorial appeared in Wednesday's EXPRESS NEWS, a daily newspaper published by CENTRAL NEWS AGENCY.

#### **American Isolationism**

US President George Bush has taken the occasion of the 50th anniversary of Pearl Harbor to warn against revival of American isolationism.

During his two speeches in Honolulu last Sunday to commemorate the event, Mr. Bush referred to the dangers of isolationism as one of the lessons Americans must learn from the Japanese attack 50 years ago.

Calling Pearl Harbor "a tragedy spawned by isolationism," Mr. Bush told his audience at the Arizona Memorial, "The world does not stop at our water's edge."

This warning by Mr. Bush against isolationism is a timely one, as we see signs of growing sentiment among the American people for us retreat from involvements overseas and back to fortress America.

Among such signs is Democratic criticism of Bush for paying too much attention to foreign issues like problems in the Soviet Union and peace in the Middle East, and neglecting domestic issues at home. Another one is the vote in the US House of Representatives, for the first time in decades, to reject the foreign aid bill on the ground that the money is more needed in the United States.

Also indicative of this sentiment is the rhetoric by many a Democratic candidate for the 1992 presidential election that the United States should stop sending emergency assistance to Kurdish or other refugees and start helping its own people.

We can understand the growing sentiment of isolationism in the United States. Having won the Cold War against the Soviet Union, it is natural for the American people to take pride in the collapse of "the evil empire," and demand that the the United States declare victory over communism and its mission accomplished, and bring back all its troops overseas, as it did after World War II.

It is also understandable that with the US economy still sluggish, there would be suggestions for reduction of overseas military presence in order to use the savings in defense spending, the so-called "peace dividends," on domestic programs.

Economically, there is also reason for the growing isolationism. Some Americans have been so frustrated by the

loss of US competitive edge over Japan and other countries in manufactured products, that it seems logic to them that the United States should shut off its border to all foreign imports, believing that the United States has enough resources to sustain its own economy without foreign trade.

But, in the modern world of interdependence, no nation is an island, not even a country as big and resourceful as the United States. Peace and prosperity, or the lack thereof, in one part of the world invariably will affect the rest.

Mr. Bush warned in Honolulu that "to believe that turning our backs on the world would improve our lot here at home is to ignore the tragic lessons of [words indistinct]."

#### **French Aerospace Firm Seeks Joint Venture**

OW1212085191 Taipei CNA in English 0805 GMT  
12 Dec 91

[Text] Taipei, Dec. 12 (CNA)—Aerospatiale, the largest aerospace group in France, has accelerated its efforts to forge a joint-venture partnership with the Republic of China [ROC] on Taiwan, a ranking official said Wednesday.

Aerospatiale, whose Airbus planes are the world's second best-selling commercial aircraft, has placed prominent advertisements in the local news media in recent days detailing its on-going negotiations with Taiwan Aerospace Corp. over a proposed joint venture.

The publicity drive is a sure sign that the French aerospace conglomerate is eager to tie up with Taiwan Aerospace, a newly established firm in which the ROC government holds a 29 percent equity share, noted Chu Ju-chu, director of a cabinet-level Aerospace Industry Promotion Group.

Aerospatiale's rush to publicize its initial talks with Taiwan Aerospace has been stimulated by another joint venture proposal now under discussion between Taiwan Aerospace and McDonnell Douglas Corp. of the United States, Chu explained.

McDonnell Douglas, the world's third largest commercial aircraft manufacturer, plans to sell 40 percent of its commercial airliner operations to Taiwan Aerospace for up to two billion U.S. dollars.

If the proposed Taiwan Aerospace-McDonnell Douglas tie up is realized, Chu said, Aerospatiale might encounter stronger competition in world civil aviation markets.

In seeking to cooperate with Taiwan, Chu said, the French Government-backed Aerospatiale is not necessarily drawn by Taiwan's abundant capital, but rather by its skilled workers and relatively low labor costs.

The French aerospace giant is also hoping to use Taiwan as a bridgehead to expand its share in the rapidly growing Asian market, Chu observed.

Aerospatiale hopes to form a joint venture with Taiwan Aerospace to co-produce military and civilian helicopters and commercial aircraft parts here.

**Representative to Japan Meets Counterpart in Tokyo**  
*OW1112234191 Taipei CNA in English 1419 GMT  
11 Dec 91*

[Text] Tokyo, Dec. 11 (CNA)—The president of the Japan Interchange Association, Harumori Kaya, Wednesday met with Hsu Shui-teh, the Republic of China's [ROC's] representative in Japan.

This was Kaya's first formal meeting with Hsu since he replaced Fujio Hara as president of the Japanese organization established to represent Japan's interest in the Republic of China after Tokyo and Taipei severed diplomatic relations in 1972.

Kaya just returned from Taipei where he attended the "East Asian Economic Conference" and met with ROC Government leaders.

The former Japanese ambassador to Israel and Denmark told Hsu he would do his best to promote substantive relations between the two countries.

**SRV Official Welcomes Taiwan Investment**  
*OW1112100791 Taipei CNA in English 0812 GMT  
11 Dec 91*

[Text] Taipei, Dec. 11 (CNA)—Since the Republic of China [ROC] and Vietnam have not yet signed an investment guarantee agreement, Taiwan businessmen can solve their trade problems through the Foreign Investment Service Corp. (FISC) or other international arbitrary institutions, a Vietnamese trade official said Tuesday in Taipei.

Pham Kac Chi, director general of the FISC (equivalent to the Investment Commission here), arrived here Dec. 9 at the invitation of the Importers and Exporters Associations of Taipei.

Pham said that Vietnam is currently studying the feasibility of signing an investment guarantee agreement with the ROC, but since Communist China will oppose the move, he cannot be sure when it would be signed.

He pointed out that Taiwan is the top investor in Vietnam, with total investment of 400 million U.S. dollars.

He said that Vietnam attaches great importance to the Taiwan investors, and has given Taiwan businessmen tax incentives; for example, Taiwan businessmen are exempted from taxation during the first two years of doing business in Vietnam.

Pham said the Vietnamese Government has recently joined hands with Taiwan businessmen to develop a 300-hectare industrial park in Vietnam, when it is completed next year, it will accommodate more than 300 Taiwan manufacturers.

**Council To 'Spare No Efforts' in Soviet Markets**  
*OW1212091991 Taipei CNA in English 0833 GMT  
12 Dec 91*

[Text] Taipei, Dec. 12 (CNA)—The China External Trade Development Council (CETRA) will spare no efforts to develop markets in the Soviet Union in spite of the possible disintegration of the empire, a ranking CETRA official said Wednesday.

At a Kaohsiung seminar on the development of Soviet market, CETRA Secretary-General Liu Ting-tsu urged local traders to pay closer attention to the changing Soviet political situation in order to seize the best timing to explore markets there.

Liu said various republics in the Soviet should be targeted in efforts to exploit the Soviet Union's markets.

The Soviet Union is facing serious economic slowdown because of a shortage of foreign exchange, political instability, increasing foreign debt and unemployment, so business there should be conducted very cautiously, Liu warned.

In order to reduce trade risks, Liu said that CETRA is planning to combine the collective power of local small-land medium-businesses and banking institutions to establish a large trading company.

The CETRA will not give up in its efforts to open a trade office in Moscow although it faces difficulties, Liu said. Three Baltic nations have already signed trade cooperative agreements with Taiwan and other Soviet republics have also expressed a willingness to do business with Taiwan.

Computers, electronics, and textile products are the goods most welcomed by the Soviet Union and East European countries, and local manufacturers could import steel, chemicals, and machinery from them, Liu added.



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